

House Bill 2050

Sponsored by Representative MCINTIRE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Exempts from state income tax for a veteran all retirement pay or pension received for service in the Armed Forces. The Act applies to tax years that start on or after January 1, 2026. (Flesch Readability Score: 60.1).

Exempts from state income tax for a taxpayer who is a veteran all retirement pay or pension received for service in the Armed Forces of the United States. Applies to tax years beginning on or after January 1, 2026.

A BILL FOR AN ACT

1
2 Relating to a taxable income exemption for taxpayers who are a veteran.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 316.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Armed Forces of the United States" includes the regular and reserve components**
7 **of the Army, Navy, Air Force, Marine Corps, Coast Guard and Space Force of the United**
8 **States and the National Guard.**

9 (b) **"Veteran" means an individual who is a veteran, as defined in ORS 408.225, except the**
10 **individual may be discharged or released under honorable or other than honorable conditions.**

11 (2) **There shall be subtracted from federal taxable income for a taxpayer who is a veteran**
12 **all retirement pay or pension that the taxpayer received for service in the Armed Forces of**
13 **the United States that is included in the taxpayer's federal taxable income for the tax year.**

14 (3) **The total amount subtracted under subsection (2) of this section may not exceed the**
15 **taxpayer's total retirement pay or pension received for service in the Armed Forces of the**
16 **United States that is included in the taxpayer's federal taxable income for the tax year.**

17 (4) **The amount subtracted under subsection (2) of this section may not include any**
18 **amount of retirement pay or pension received for service in the Armed Forces of the United**
19 **States that is subtracted under ORS 316.680 (1)(e).**

20 (5) **The Department of Revenue may adopt rules for carrying out the provisions of this**
21 **section.**

22 **SECTION 3. Section 2 of this 2025 Act applies to tax years beginning on or after January**
23 **1, 2026.**

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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.