



United Veterans' Groups of Oregon (UVGO)
“In Service to Oregon’s Military Veterans and Their Families”

The Honorable Senator James Manning Jr.
Chair, Senate Committee on Veterans, Emergency
Management, Federal and World Affairs
900 Court St. NE, Room 453
Salem, Oregon 97301

3 February 2025

Testimony in Support of SB 225 on Behalf of the United Veterans’ Groups of Oregon

Subject: **Senate Bill (SB) 225** - *Exempts from state income tax up to \$17,500 in retirement pay or pension received for service in the Armed Forces of the United States for a taxpayer who is receiving retirement pay or pension for service in the Armed Forces of the United States and who has not attained 63 years of age before the close of the taxable year for which a return is filed.*

Position on Measure: **Support**

Dear Senator Manning,

As the Chair of the United Veterans’ Groups of Oregon (UVGO), I wish to thank you and the members of the Committee for your service to the State of Oregon, and for your steadfast dedication to improving the lives of Oregon’s Veterans. The UVGO represents and advocates on behalf of 14 major Veterans groups in Oregon, serving more than 300,000 Veteran residents. I wish to assure you that when we advocate or communicate with your Committee, the position presented represents the unanimous view of our 14 Veterans’ organizations in Oregon, with thoughtful consideration to the best interests of all Veterans in our great State.

Senate Bill 225 will make retirement life more affordable for military Veterans in Oregon and is a shot in the arm to our long advocacy on behalf of Oregon Veterans. Enactment of this legislation will significantly bolster Oregon’s ability to attract high value retired military Veterans who will continue to contribute skills, integrity, and leadership to our State for a generation and more. The value-added of persuading more Veterans to choose Oregon to start their second careers, both financially and for the well-being of our communities, will more than offset the small component of tax revenue foregone.

SB 225 will recognize in a very positive way the unique contribution to our national security and the selfless service performed by Veterans over a career of decades, entitling them to a

military pension. Undeniably, this legislation will make Oregon a more attractive destination for military retirees. These military retirees will almost certainly continue to work in a second career, become homeowners, community stakeholders and leaders, and contribute fiscally and civically to our Oregon communities. SB 225 makes a sound investment in the future strength, resilience, and exceptionalism of Oregon's workforce and contributes to strong and diverse local communities.

A recent study by the Legislative Research Office notes that among Washington DC and the 50 states, only six fully tax military pensions (and of those six, California and Montana are very close to enacting significant military exemptions). The current partial tax exemption on military pensions (and all federal and state employee pensions) is aging out, and leaves behind any Veteran who enlisted in the wake of 9/11, and almost all other Veterans of our "forever wars." Oregon will soon be in the minority column of states that effectively do not provide any income tax exemption to our military Veterans, and will be hugely disadvantaged to attract military retirees, particularly in the competitive Pacific NW region. Largely for this reason, Oregon ranks near the bottom in public surveys of the best and worst places for military retirees (such as the popular private finance website, *Wallethub*).

SB 225 also recognizes the unique sacrifices and hardships that accompany a career in military service. Military life exposes our Nation's volunteer force to consistent structured challenges accompanied by multiple extended absences from family and community (often up to a year at a time). Our military is on duty 24/7 without overtime and are constantly tasked to dangerous missions in peacetime or combat. SB 225 will demonstrate that Oregon values the selfless service of Veteran retirees and wants them to start their second career here and become contributing, productive residents of our State.

On behalf of the United Veterans' Groups of Oregon and our state's Veterans, the UVGO urges the committee to support SB 225 and the benefits it will bring to our State and to our Veterans.

Thank you for this opportunity to provide the UVGO position on this important legislative issue.

Sincerely,



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The United Veterans' Groups of Oregon Membership Includes: Air & Space Forces Association; American Legion; Association of the United States Army; Disabled American Veterans; Gold Star Wives of America, Inc.; Korean War Veterans' Association; Marine Corps League; Military Officers Association of America; Military Order of the Purple Heart; Non-Commissioned Officers Association; Paralyzed Veterans of America Tri-State Chapter; Veterans of Foreign Wars, Vietnam Veterans of America; and 40+8.