

Senate Executive Committee

152nd General Assembly
Wednesday, March 20, 2024
Senate Chamber/Virtual Meeting
3:02 p.m. – 3:45 p.m.

Committee Members Present:

Senator David P. Sokola	David.Sokola@delaware.gov
Senator Bryan Townsend	Bryan.Townsend@delaware.gov
Senator S. Elizabeth Lockman	Elizabeth.Lockman@delaware.gov
Senator Sarah McBride	Sarah.McBride@delaware.gov
Senator Marie Pinkney	Marie.Pinkney@delaware.gov
Senator Gerald W. Hocker	Gerald.Hocker@delaware.gov
Senator Brian Pettyjohn	Brian.Pettyjohn@delaware.gov

Other Legislators Present:

Senator Eric Buckson	Eric.Buckson@delaware.gov
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Staff:

Valerie McCartan, Senate	Valerie.McCartan@delaware.gov
Charline Ganthier-Cine	Charline.Ganthier-Cine@delaware.gov
Carolyn Martin-Pettaway	Carolyn.Martin-Pettaway@delaware.gov

Public attendees:

Appendix A contains a list of members of the public attending the meeting virtually, and those who signed the in-person sign-in sheet and/or provided testimony on the legislative portion of the agenda during this meeting.

Agenda

Nominations:

1. Adult Correction Healthcare Review Committee
Appoint: Dr. Mustafa Mufti

Legislation

1. **SB 201** (F/N) **SA 1** (PWB) (Buckson) - AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO EXCLUSION OF MILITARY PENSIONS FROM TAXABLE INCOME.
2. **HB 288** (Longhurst) AN ACT TO AMEND THE DELAWARE CODE AND CHAPTER 168 OF VOLUME 84 OF THE LAWS OF DELAWARE RELATING TO THE DIVISION OF RESEARCH.

Senator Sokola commenced the meeting and thanked everyone for joining both virtually and in person. He proceeded to conduct a roll call and verified a quorum was reached. All Senators except Senator Lockman were marked present at the time of roll call. (Senator Lockman was present at 3:05 p.m.)

At 3:04 p.m. Senator Sokola began the Nomination portion of the agenda.

At 3:09 p.m. Senator Sokola moved to the Legislative portion of the agenda.

I. HB 288 (Longhurst) AN ACT TO AMEND THE DELAWARE CODE AND CHAPTER 168 OF VOLUME 84 OF THE LAWS OF DELAWARE RELATING TO THE DIVISION OF RESEARCH.

Synopsis: This Act changes the name of the Division of Research to the "Division of Legislative Services" (Division) to more fully reflect the tasks that the Division performs. In addition to legislative research, the Division's tasks include drafting bills, editing the Delaware Code, staffing task forces, printing bills and other materials for the General Assembly, providing constituent and legislator services through the Legislative Information Office, and publishing the Register of Regulations and Administrative Code. This Act also gives the Director of the Division a consistent job title throughout the Code. Section 28 and Section 43 of this Act change "Legislative Council" to the Division to conform the law to current practice. For reports that must be submitted to the Division, this Act makes consistent that those reports must be submitted to the Librarian of the Division, in addition to the Director. Section 62 delays the effect of this Act until November 6, 2024, to coincide with the start of the 153rd General Assembly. This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Senator Sokola asked if there were any questions or comments from committee members regarding the bill.

Senator Sokola, seeing no comments or questions from members of the committee regarding HB 288, asked if there was public comment.

Senator Sokola asked if there was any in-person or virtual public comment on HB 288. Hearing none, HB 288 will be circulated for signatures.

HB 288 – Reported out of the Committee: 4 Favorable (Townsend, Lockman, Pettyjohn, Hocker); 3 Merits (Sokola, Pinkney, McBride); 0 Unfavorable

II. SB 201 (F/N) SA 1 (PWB) (Buckson) - AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO EXCLUSION OF MILITARY PENSIONS FROM TAXABLE INCOME.

Synopsis: Of the 41 states with a state income tax, 27 states fully exempt military retirement pay from state income taxes and 12 states partially exempt military retirement pay. In 2022, Delaware increased the pension exclusion for military

pensioners under 60 to \$12,500. This Act phases in, over 3 years, an increased exemption for military pensions from state income taxation, regardless of age, so that in taxable years beginning on or after January 1, 2026, the exemption will be \$25,000 for all military pensioners.

SA 1 Synopsis: This Amendment expands the definition of a United States military pension to include a pension received for an individual's service in the commissioned corps of the National Oceanic and Atmospheric Administration and the commissioned corps of the Public Health Service and clarifies that the armed forces of the United States includes the Space Force and Coast Guard.

Senator Sokola asked Sen. Buckson to introduce his bill.

Senator Buckson said SB 201 increases the state tax exemption for military retirees. Sen. Mantzavinos was a champion on this issue two years ago (SS 1 for SB 188, signed by Governor on 7/20/2022). Sen. Buckson has talked with him about how to increase the exemption. The issue is the fiscal note and knows that is a concern in the current budget. The current fiscal note is \$2.0M in 2025 and \$3.4M when it is fully implemented in 2027. We have to determine how to pay for that. The bill gives back money to military retirees who have earned it, and it speaks to the necessity for Delaware to compete with other jurisdictions in keeping military retirees in their state. This bill will pay itself back when military retirees stay here contributing to and growing our economy, as well as keeping their professional skills here in Delaware. We are one of only 16 states that don't offer a 100% exemption of military pensions. The amendment was introduced after close consultation with Rep. Hilovsky and being asked that other branches of the military that aren't considered "armed services" to be added.

Senator Sokola said of those states that do 100%, every one has a sales tax, almost all have a higher property tax, as well as higher gas tax. Kiplingers evaluates retirees and Delaware ranks high for retirees in general, and also specifically for military retirees. If you have lowest sales, you don't have enough revenue to run a state. There is a reason why on a per capita basis Delaware has a pretty high percentage of military retirees compared to other states. We learned this when Sen. Mantzavinos introduced SB 188. When you look at it in context of the whole package. He said he expected us to go further over time, beyond Sen. Mantzavinos' legislation, and is more than happy to have this discussion, because he does want us to stay competitive while also looking at all the variables that make for the competitiveness of the whole package.

Senator Buckson said in the last 10 years Delaware has seen a 22% reduction in the number of military retiree residing here. The updated numbers speak to our failure to keep up and compete. SB 188 was a good start but did not go far enough. We're no longer looked at specifically in the military retirees' space being incentivized in the same way to stay in Delaware in the same light that may have been presented two years ago. He believes it is worth overpaying to keep military retirees in Delaware. He wants to keep that skillset here in the state.

Senator Sokola asked if there were any questions or comments from committee members regarding SB 201.

Senator Sokola, seeing no further members of the committee with questions about SB 201, asked if there was public comment.

Sec. Rick Geisenberger, Dept. of Finance, expressed respect for those who have served in our nation's military. Senate Bill 201 must be viewed in a larger context. Personal income taxes comprise 35% of our state's revenue. Income taxes reliably grow with our economy and population. But when income is excluded from taxation for certain individuals, as this bill does, three things happen. First, policymakers are pressured to consider increases to retirement exclusions for other favored groups, such as retired police or firefighters for example. Secondly, it lessens the state's ability to fund needed government programs. Third, it eventually forces policymakers to raise taxes for all others, like working families, making the state less economically competitive. Retirees are presently the biggest beneficiaries of Delaware's tax code. Older Delawareans exclude more than \$3.7 billion of otherwise federally taxable income from their Delaware adjusted gross income, reducing the state's personal income taxes by more than \$205 million last year. All other Delaware personal tax preferences combined cost less than \$30 million dollars. In 2022, the Governor signed Senate Bill 188, which was aimed at attracting younger military retirees to stay in Delaware to work here and start businesses. We are now being asked again to consider a multi-million dollar doubling of that exclusion and extending it not just to younger people, but also to older people. With an aging population and vacant job openings because of a lack of younger workers, we can reasonably ask why Delaware should strive to make retirement here even more attractive. The concern is tax fairness and treating the income of one class differently from that of another. Legislation expanding retirement exclusions works to burden an already strained healthcare system and inevitably, it makes it harder to fund critical safety net and educational programs without increasing taxes on everyone else. For these reasons, the Department of Finance does not support this legislation.

Lt. Jason Slavoski said he supports the bill and specifically SA 1 to include the US Public Health Service and the NOAA Corps. The US military is made up of eight uniformed services – six are armed, two are not. All eight receive the same military pensions. The US Public Health Service protects and promotes the health and safety of the nation. It includes 11 professions including physicians, pharmacists, social workers, dentists, and others. We want to attract these other uniformed service members here to start their second careers where they can take care of us as we age. He urges the committee to support the amendment and bill. There are 35 US Public Health Service Commission Corps retirees and spouses in Delaware with an average annual pension income of \$76,000. Most are still working and actively contributing to the economy, and so are their families and their children who follow.

Bill Welser said that as a military retiree, he was a wing commander from 1992 – 1994. He became a Lt. General., and what he brought back to the state from his military service was a leadership capability to this state to be a person who wants to build a new hangar at the museum. It's a number one tourist attraction in Delaware. He finds it unfortunate that because of his age that what he brings back to the state is now not considered important with respect how much it's going to cost the state. He asks the committee to think about those military retirees. This is his 25th move. He came back to Delaware because he was treated so well here. There was support for the Air Force Base and everything they did. What he hears from friends who live in PA and other states is that they live there because they don't feel the same support here in Delaware. What military retirees bring to Delaware is important.

Michele Forzley said she is not a military retiree. She doesn't think the Kiplinger Report referenced is accurate. Delaware has a transfer tax that, when you amortize that over 15 years here, is a pretty expensive tax. She thinks because there are a lot of retirees here, we have to consider what their choices are going to be. Taxes become an important consideration for people who are on a fixed income. People are going to move to those places where there are those exemptions. People don't take sales tax into consideration like they do income taxes. People want to age in place and extra dollars matter. Delaware's immediate neighbors favorably tax these retirees. She urges the committee to release the bill to the full Senate for a vote.

Steven LePage said he submitted written comments. There is no military tax exemption for those over age 60. There is an age-based exemption for every Delawarean. There is a distinction there. The Delaware Air National Guard, who the state relied on during the pandemic for their expertise and professionalism for mass vaccinations and filling holes in the healthcare system, did not benefit from SB 188 at all. Most members of the Guard would retire at age 60 and get the same exemption as every other retiree. The amount of money in the cost for SB 201 is very small when you look at the state's budget of \$6.1 billion. Please vote favorably on SB 201 in committee and release it to the Senate floor for a vote.

Jesse Sanluk is a lifelong Delaware resident. He is a ready reservist in the US Public Health Service and is also a prior Army reservist. He thanks the sponsor for amending SB 201 to include their branches of services. The Public Health Service has approximately 6,000 active and reserve officers and the NOAA is smaller. The effort to include them started a couple of years ago. The Public Health Service also served during the pandemic. Their mission is still national security related as it is with the other uniformed services. He encourages the committee to look favorably on the amendment.

Commissioner Doug Hudson said SB 201 is important for all veterans, and he hopes the committee will consider releasing it. Passing this bill is the Legislature's way of saying thank you for your service to our veterans.

Paul Davis of Dover said he is the state president for the DE State Council of Vietnam Veterans of America for Delaware. He commends the sponsor for bringing SB 201 forward. Under the VVA data count for 2022, Delaware has 9,479 retirees in the state. He doesn't agree with the reference that was made about the fire service and comparing that to veterans that have served during war and suffered disabilities and PTSD. Those that become injured in the military still have those issues to deal with and agrees that this is a small amount in comparison to the \$6.1 billion in state budget. He supports SB 201.

****Please note:** written submission of testimony in support of SB 201 was emailed to members of the committee prior to the 3/20/2024 meeting. This documentation is included in **Appendix B**.

At 3:45 p.m., seeing no further public comment on SB 201, Senator Sokola asked for a motion to adjourn the meeting.

Senator Townsend motioned to adjourn the committee meeting, and Senator Pinkney seconded the motion.

Senator Sokola, without objection, adjourned the meeting at 3:45 p.m.

Meeting Minute Preparation

Valerie McCartan, 3/25/2024'

Approval of Meeting Minutes

Motion made by Sen.McBride; Second by Sen. Pettyjohn, Senate Executive Committee meeting,
3/24/2024

Appendix A

In-person sign-in sheet Attendees and Virtual Attendees

Attendees

Rick Geisenberger, Secretary, Dept. of Finance
Jason Slavoski
Bill Welser
Michele Forzley
Paul Davis, Delaware State Council Vietnam Veterans of America
Steven LePage
Jesse Samluk, USPHS Ready Reserve
Commissioner Doug Hudson, Military Officers Association of America

Appendix B

Written testimony submitted by email to committee members

1. Steven F. Beal, Frankford, DE
2. Michele Forzley, Lewes, DE
3. Eugenia “Gene” Thornton, President, Military Officers Association of America (Dover MOAA Chapter)
4. Steven LePage, Persian Gulf War Veteran – Desert Shield/Desert Storm, USAF, Retired

From: steven.beal@yahoo.com
Sent: Sunday, February 11, 2024 10:33 AM
To: Lockman, Elizabeth (LegHall); Sokola, David (LegHall); Townsend, Bryan (LegHall)
Subject: SB 201

Follow Up Flag: Follow up
Flag Status: Completed

My name is Steven Beal and I am a retired Army officer who is a resident of Delaware.

I am pleased to see Senator Buckson introduced Senate Bill 201 that phases in, over three years, an increased exemption for military pensions from state taxation, regardless of age, so that taxable years beginning on or after January 1, 2026, the exemption will be \$25,000 for all military pensions. Even though many states, such as Pennsylvania and New Jersey, already offer full exemptions on military retirement pay, it is a start to incentivize military retirees to consider Delaware as their permanent residence. It would also identify Delaware as a military friendly state. Young retirees typically look for a second career after they retire from the military. By passing this bill, it will benefit the local economy and workforce through the retirees income, work ethic and education.

As a leader of the Senate, you should know that by passing this bill, it will honor those retirees who have served their country and entice military retirees to call Delaware their home. I would like you to sign on as a sponsor and see this bill passed.

Sincerely,

Steven F. Beal
21223 Deckwatch Lane
Frankford, DE. 19945
steven.beal@yahoo.com
703-862-6388

From: michele@micheleforzley.com
Sent: Monday, March 11, 2024 9:14 AM
To: Sokola, David (LegHall); Townsend, Bryan (LegHall)
Cc: Lockman, Elizabeth (LegHall); McBride, Sarah (LegHall); Pinkney, Marie (LegHall); Hocker, Gerald (LegHall); Pettyjohn, Brian (LegHall)
Subject: SB 201 AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO EXCLUSION OF MILITARY INCOME

Importance: High

Dear Senators Sokola and Townsend:

I write regarding SB 201 and SA 1 to urge that this bill be placed on the Executive Committee calendar and moved to the floor for vote.

Delaware needs to maintain its viability as a desirable state in which to locate and remain but unfortunately it can easily lose ground in the competition for residents if it has not already done so. It must compete with many other states that have the same natural resources and other attractive features such as no income taxes at all. At present, Delaware is not competitive with its closest neighbors. Relevant to SB 201, our immediate neighbors tax military pensions as follows:

- **Maryland:** Starting in the 2023 tax year, up to \$12,500 of military retirement income is exempt for taxpayers up to age 55, and up to \$20,000 is exempt for taxpayers 55 and older.
- **Virginia:** Retirees age 55 and over can deduct up to \$20,000 in military benefits from their 2023 state income taxes. *The deduction increases to \$30,000 for the 2024 tax year and to \$40,000 for 2025 and beyond.*
- **Pennsylvania and New Jersey do not tax such benefits at all.**

Below I have listed how other states address this issue. As you can read below, *most **all** other states favorably tax our veterans and our immediate neighbors have granted substantial exemptions to veterans who need only drive from these states to the beach for a vacation rather than live here.* A larger exemption is an important way to thank veterans for their service, and importantly the state will receive benefits if veterans remain in the state. These include their expenditure of these funds at our local businesses, their contributions to our work force and as examples of good citizenship among them. The cost of the exemption will be zeroed out by the contributions veterans make to our economy and standards of living. This is an investment, not an expense or a lost revenue line in the budget.

I urge you to place SB 201 on the committee calendar and move the bill to the floor for vote. Thank you for your consideration.

Yours,

Michele Forzley

Lewes, DE

301 565 0680

For your reference, here is a list of what other states have done on this important issue:

Military retirement pay is not taxed in:

- **Alabama:** Exempt
- **Alaska:** No individual income tax
- **Arizona:** Exempt
- **Arkansas:** Exempt
- **Connecticut:** Exempt
- **Florida:** No individual income tax
- **Hawaii:** Exempt
- **Illinois:** Exempt
- **Indiana:** Exempt
- **Iowa:** Exempt
- **Kansas:** Exempt
- **Louisiana:** Exempt
- **Maine:** Exempt
- **Massachusetts:** Exempt
- **Michigan:** Exempt
- **Minnesota:** Exempt
- **Mississippi:** Exempt
- **Missouri:** Exempt
- **Nebraska:** Exempt
- **Nevada:** No individual income tax
- **New Hampshire:** No individual income tax except for on dividends and interest
- **New York:** Exempt
- **North Carolina:** Exempt for veterans who served at least 20 years or were medically retired
- **North Dakota:** Exempt
- **Ohio:** Exempt
- **Oklahoma:** Exempt
- **Rhode Island:** Exempt (as of 2023 tax year)
- **South Carolina:** Exempt
- **South Dakota:** No individual income tax
- **Tennessee:** No individual income tax
- **Texas:** No individual income tax
- **Utah:** Exempt
- **Washington:** No individual income tax
- **West Virginia:** Exempt
- **Wisconsin:** Exempt
- **Wyoming:** No individual income tax

Military retirement pay is partially taxed in:

- **Colorado:** Up to \$24,000 of federally taxable retirement income (including military retirement pay) is exempt for Coloradans age 65 and older, and up to \$20,000 for those ages 55 to 64. Veterans under age 55 can deduct up to \$15,000 in military retirement pay.

- **Georgia:** Veterans under age 62 can exclude up to \$17,500 in military retirement pay (up to \$35,000 if they also earned at least \$17,500 from work). Taxpayers ages 62 to 64 can exclude up to \$35,000 of overall retirement income; those 65 and older can exclude up to \$65,000.
- **Idaho:** Up to \$43,524 of qualified retirement benefits (including military retirement pay) may be exempt for single filers and up to \$65,286 for joint filers. You must be 65 or older (62 if you have a disability). The exemption may be reduced by other retirement benefits.
- **Kentucky:** All Kentuckians can exclude up to \$31,110 in pension and retirement income from their state taxes. Former service members who receive more than that in military retirement pay may be able to exclude more. Veterans who retired before Jan. 1, 1998, can exempt all military retirement pay. Those who have retired since that date will need to use Kentucky Schedule P to compute their exclusion above \$31,110.
- **Montana:** Currently, Montana exempts a portion of retirement income (which includes military pensions) for residents under certain income limits. Starting with the 2024 tax year, some Montana residents will be able to exempt up to 50 percent of their military retirement income from state taxes.
- **New Mexico:** Up to \$20,000 in military retirement pay is exempt for 2023, and up to \$30,000 for 2024, 2025 and 2026. All income is exempt for taxpayers who are 100 or older.
- **Oregon:** Military retirement pay is taxable as income for service after Oct. 1, 1991, and is exempt for service before that date. A portion may be exempt if you served both before and after that date.
- **Vermont:** Up to \$10,000 of military retirement pay is exempt for veterans with an income of up to \$50,000 for a single filer or \$65,000 for a married couple filing jointly.

From: Gene Thornton <genethornton@comcast.net>
Sent: Monday, March 18, 2024 1:01 PM
To: Sokola, David (LegHall); Townsend, Bryan (LegHall); Lockman, Elizabeth (LegHall); McBride, Sarah (LegHall); Pinkney, Marie (LegHall); Hocker, Gerald (LegHall); Pettyjohn, Brian (LegHall); Buckson, Eric (LegHall)
Cc: larry hess
Subject: SB 201--a step in the right direction
Attachments: 2024-03-16 Army MOS list.pdf

Dear Senator Sokola, et al.

There is a prevailing notion that Delaware is a great place to retire because of its low taxes. However, Delaware is no longer at the top of Kiplinger's most tax-friendly place to retire.

Regardless, Delaware is better than many neighbors to the north, resulting in more and more 55 Plus Developments springing up, lowering our low tax base and generating a need for goods and services vs. providing them.

As a Kent County Planning Commissioner for 13 years and someone currently serving as the Kent County Recorder of Deeds, I assure you that in county taxes and fees alone, a "normal" development generates more tax and fee revenue than a 55 Plus one.

As President of the Southern Delaware Heart Association for five years, I assure you that more donations come from business owners, corporations, and working-age people than retirees.

In addition, 55 Plus developments drain existing limited goods and services; they do not produce them.

- Where are the medical clinics, carpenters, drivers, and HVAC techs to support the influx of new elderly Delawareans?
- Where are the folks starting businesses or working for others for a full 20-year career in Delaware, raising our tax base with their salaries, buying two cars, eating out, raising children, and buying and maintaining a house that costs more than \$200K?

They are not here. In May 2022, the Ceasar Rodney Institute concluded that retired persons are moving in, the working population is not growing, and the youth are moving out.

While it is accurate to say that military retirees are "moving to Delaware anyway," we are getting the **WRONG ONES!**

Delaware ranks 15% in the nation based on the percentage of veterans (in 2019, 66896 of us --8.8%--were veterans.) However, *working-age veterans* only make up 18% of that 8.8% total (12,053 are Gulf War II-era vets). The same is true for our 9,000 Military Retirees; less than 2,000 (22%) are of "working age."

To change that dynamic for the long-term health of Delaware, we need laws that will retain or attract **NEWLY RETIRED ACTIVE DUTY MILITARY** to come to Delaware and work or start a business. They will do this because they cannot exist on their military pension alone.

Don't confuse new military retirees with civilian retirees. Civilians retire at 60 and stop working, for the most part. Military retirees are just beginning their second careers.

- Most active duty retire after 20 years of service. Enlisted, who comprise 80% of the armed forces, retire about 20 years after HS graduation (and most attain at least an AA or higher education level while on active duty in order to be promoted).
- Officers retire about 20 years after college, making their average retired age four years older.
- Senior officers (only the very top 2% of officers) can serve longer, but even then, I retired as a colonel after 27 years active duty and celebrated my 50th in Delaware. I was still young enough to be of (taxable, social, civic) value to Delaware. I worked in a law firm, worked at State HR, started a business, and helped my community and county. Had I not become a full-time caregiver for my husband, I might have contributed even more. However, due to our military pensions, neither my husband nor I was a financial drain on the state despite Don requiring skilled nursing care for a decade.
- I've heard your concern; you don't want more senior officers (like me!) to move here—but that is *all you are getting* because the working-age military retirees—the ones you need—can't afford to pay Delaware taxes on their military pensions! Statistically, you should know of far more working-age sergeants than senior officers. If you do not, you have proven the point.

What kind of work can working-age military retirees do? Please refer to the attachment to see the types of jobs in my service the US Army. (I was a 42/46, by the way. I use those skills every day as the Kent County Recorder of Deeds.)

Contrary to what some elected officials (including the Governor regarding SB 188 a few years ago) believe, working-age Military people are generally not retiring and moving to Delaware **because they can go to 33 other states and not pay income tax on their retired military pay**. Or, if pay is not fully exempt, such as VA and MD, they are *getting more of a break* than they are in DE, even after SB 201 passes!

Delaware is missing out because we are not getting *the right* retired military (the ones newly retired from active duty who will work here for an additional 20+ years).

Below is a real-life example of a Sergeant (E7) who retired and stayed in Delaware with his working wife and child (the most typical demographic)

- With the \$12,500 exclusion that *everyone* gets—not just the military—a retired sergeant and working spouse have a DE tax liability of \$10,019
- The current retired tax benefit saves them about \$822; without the exclusion, their DE Tax liability is \$10,841
- With the exclusion of \$25,000 per SB201, their savings will be \$1644, nothing to sneeze at...but will they move here for it? Probably not. Will they stay here? Most likely yes.

However, if the sergeant's military retirement pay was 100% excluded

- The couple's DE liability would drop to \$6,143 (saving them \$4,698), making it worthwhile for other sergeants to move here immediately after retiring at age 38 and work and pay Delaware taxes for another 20+ years!
- Delaware loses the \$4K tax revenue, true, but GAINS the \$6K it would not otherwise have.
- The ultimate goal should be 100% tax-free military retirement pay since civilian salaries will remain taxable. (It goes without saying if they don't move here for the tax deduction, you won't get to tax their civilian pay.) Regardless of if you are taxing that pension, they are *spending* that pension here. They work in fields like the attached list, providing goods and services that an aging Delaware craves.

This means that:

- **For every NCO who does not retire to DE because the retired salary is taxed and does not bring his working wife, Delaware is losing an average of \$6143, and the value added is that of them being residents. They retired in their mid-30s, so will be here for 20 years, working.**
- **Delaware has lost \$122,860 in tax revenues throughout one retired NCO's 20-year working life, and it has also lost valuable skill sets needed to offset the greying of Delaware.**

Legislators tend to focus on fiscal notes that detail the loss of tax revenue. They do not focus on the fact that, currently, **Delaware is getting 0% tax revenue for \$0.00 of salary for every NCO that does *not* stay or move here.** Thirty-three other states have already seen the light. Delaware should join them.

For the sake of the viable longevity of Delaware, I urge you to pass SB 201 as a stepping stone to ultimate tax-free military pensions.

Eugenia "Gene" Thornton
President, Military Officers Association of America (Dover MOAA Chapter)
Cc: Larry Hess, president of Southern DE MOAA Chapter

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

Prepared on March 16, 2024 by Colonel Eugenia Thornton, US Army (retired)
President, Dover MOAA a 501c3(19) organization, in support of SB 201

Financial Management

- Financial Management Technician (MOS 36B)

Adjutant General's Corps

- Human Resources Specialist (MOS 42A)
- Musician (MOS 42R)
- Special Band Musician (MOS 42S)
- Assistant Mortician (MOS 42M)

Public Affairs

- Public Affairs Specialist (MOS 46Q)
- Public Affairs Broadcast Specialist (MOS 46R)

Army Acquisition Troops

- Acquisition, Logistics and Technology (AL&T) Contracting NCO (MOS 51C).

Medical

- Biomedical Equipment Specialist (MOS 68A)
- Orthopedic Specialist (add 1304 / 1110 - 04) (MOS 68B)
- Practical Nursing Specialist (add 1304 / 1110 - 04) (MOS 68C)
- Operating Room Specialist (MOS 68D)
- Dental Specialist (MOS 68E)
- Physical Therapy Specialist (add 1304 / 1110 - 04) (MOS 68F)
- Patient Administration Specialist (MOS 68G)
- Optical Laboratory Specialist (MOS 68H)
- Medical Logistics Specialist (MOS 68J)
- Medical Laboratory Specialist (MOS 68K)
- Occupational Therapy Specialist (add 1304 / 1110 - 04) (MOS 68L)
- Nutrition Care Specialist (MOS 68M)
- Cardiovascular Specialist (add 1304 / 1110 - 04) (MOS 68N)
- Radiology Specialist (MOS 68P)
- Pharmacy Specialist (MOS 68Q)
- Veterinary Food Inspection Specialist (MOS 68R)
- Preventative Medicine Specialist (MOS 68S)
- Animal Care Specialist (MOS 68T)
- Ear, Nose and Throat (ENT) Specialist (add 1304 / 1110 - 04) (MOS 68U)
- Respiratory Specialist (MOS 68V)

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

- Health Care Specialist (MOS 68W)
- Behavioral Health Specialist (MOS 68X)
- Eye Specialist (add 1304 / 1110 - 04) (MOS 68Y)

Transportation

- Cargo Specialist (MOS 88H)
- Watercraft Operator (MOS 88K)
- Watercraft Engineer (MOS 88L)
- Motor Transport Operator (MOS 88M)
- Transportation Management Coordinator (MOS 88N)
- Railway Equipment Repairer (RC) (MOS 88P)
- Trailway Section Repairer (RC) (MOS 88T)
- Railway Operations Crewmember (RC) (MOS 88U)
- Transportation Senior Sergeant (MOS 88Z)

Engineers:

- Bridge Crewmember (MOS 12C)
- Diver (MOS 12D)
- Quarrying Specialist (RC) (MOS 12G)
- Construction Engineering Supervisor (MOS 12H)
- Plumber (MOS 12K)
- Firefighter (MOS 12M)
- Horizontal Construction Engineer (MOS 12N)
- Prime Power Production Specialist (MOS 12P)
- Power Line Distribution Specialist (RD) (MOS 12Q)
- Interior Electrician (MOS 12R)
- Technical Engineer (MOS 12T)
- Concrete and Asphalt Equipment Operator (MOS 12V)
- Carpentry and Masonry Specialist (MOS 12W)
- General Engineering Supervisor (MOS 12X)
- Geospatial Engineer (MOS 12Y)
- Combat Engineering Senior Sergeant (MOS 12Z)

Aviation:

- Aircraft Electrician (MOS 15F)
- Aircraft Structural Repairer (MOS 15G)
- Aircraft Pneudraulics Repairer (MOS 15H)
- OH-58D Electrical/Avionics Systems Repairer (MOS 15J)
- Aircraft Components Repair Supervisor (MOS 15K)
- UH-1 Helicopter Repairer (RC) (del 1310 / 1210 – 30) (MOS 15M)
- Avionic Mechanic (MOS 15N)

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

- Aviation Operations Specialist (MOS 15P)
- Air Traffic Control Operator (MOS 15Q)
- AH-64 Helicopter Repairer (MOS 15R)
- OH-58D Helicopter Repairer (MOS 15S)
- UH-60 Helicopter Repairer (MOS 15T)
- CH-47 Helicopter Repairer (MOS 15U)
- Observation/Scout Helicopter Repairer (RC) (MOS 15V)
- Unmanned Aerial Vehicle Operator (MOS 15W)
- AH-64A Electrical/Avionics System Repairer (MOS15X)
- AH-64D Electrical/Avionics Systems Repairer (MOS 15Y)

Signal Corps:

- Information Technology Specialist (MOS 25B)
- Radio Operator-Maintainer (MOS 25C)
- Electromagnetic Spectrum Manager (MOS 25E)
- Network Switching Systems Operator-Maintainer (del 1310 / 110 - 21) (MOS 25F)
- Cable Systems Installer-Maintainer (MOS 25L)
- Multimedia Illustrator (MOS 25M)
- Nodal Network Systems Operator-Maintainer (MOS 25N)
- Microwave Systems Operator-Maintainer (MOS 25P)
- Multichannel Transmission Systems Operator-Maintainer (MOS 25Q)
- Visual Information Equipment Operator-Maintainer (MOS 25R)
- Satellite Communication Systems Operator-Maintainer (MOS 25S)
- Satellite/Microwave Systems Chief (MOS 25T)
- Signal Support Systems Specialist (MOS 25U)
- Documentation/Production Specialist (MOS 25V)
- Telecommunications Operations Chief (MOS 25W)
- Visual Information Operations Chief (MOS 25Z)

Judge Advocate General's Corps

- Paralegal Specialist (MOS 27D)

Military Police

- Military Police (MOS 31B)
- CID Special Agent (MOS 31D)
- Interment/Resettlement Specialist (MOS 31E)
- Working Dog Handler (MOS 31K)

Chaplain

- Chaplain Assistant (MOS 56M).

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

Field Artillery:

- Surveyor/Meteorological Crewmember (MOS 13T)

Military Intelligence

- Intelligence Analyst (MOS 35F)
- Geospatial Intelligence Imagery Analyst (MOS 35G)
- Counterintelligence Agent (MOS 35L)
- Human Intelligence Collector (MOS 35M)
- Signals Intelligence Analyst (MOS 35N)
- Cryptologic Linguist (MOS 35P)
- Cryptologic Network Warfare Specialist (MOS 35Q)
- Signals Collector/Analyst (MOS 35S)
- Military Intelligence Systems Maintainer/Integrator (MOS 35T)
- Signals Intelligence (SIGNIT) Senior Sergeant/SIGINT Chief (add 1404 / 1210 - 05) (MOS 35V)

Quartermaster Corps

- Automated Logistical Specialist (MOS 92A)
- Petroleum Supply Specialist (MOS 92F)
- Food Service Specialist (MOS 92G)
- Petroleum Laboratory Specialist (MOS 92L)
- Mortuary Affairs Specialist (MOS 92M)
- Shower/Laundry and Clothing Repair Specialist (MOS 92S)
- Water Treatment Specialist (MOS 92W)

Mechanics and Equipment Maintenance

- Wheeled Vehicle Mechanic (MOS 91B)
- Utilities Equipment Repairer (MOS 91C)
- Power-Generation Equipment Repairer (MOS 91D)
- Allied Trades Specialist (MOS 91E)
- Small Arms/Artillery Repairer (MOS 91F)
- Track Vehicle Repairer (MOS 91H)
- Quartermaster and Chemical Equipment Repairer (MOS 91J)
- Construction Equipment Repairer (MOS 91L)
- Maintenance Supervisor (MOS 91X)
- Mechanical Maintenance Supervisor (MOS 91Z)

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

Ammunition

- Explosive Ordnance Disposal Specialist (MOS 89D)

Electronic Systems Repair/Maintenance

- Air Traffic Control Equipment Repairer (MOS 94D)
- Radio and Communications Security (COMSEC) Repairer (MOS 94E)
- Computer Detection Systems Repairer (MOS 94F)
- Test, Measurement, and Diagnostic Equipment (TMDE) Maintenance Support Specialist (MOS 94H)
- Avionic Communications Equipment Repairer (MOS 94L)
- Radar Repairer (MOS 94M)
- Avionic and Survivability Equipment Repairer (MOS 94R)
- Electronic Maintenance Chief (MOS 94W)
- Senior Electronic Maintenance Chief (MOS 94Z)

Since I am Army, I am only including Army MOS. Please understand that most of these same specialties exist in the other branches of the Armed Forces, plus Navy and Air Force have some more technical skills as well.

The skilled individuals, above, have time to work a full FULLY TAXABLE career in Delaware because they retire at age 38 (entry at high school +20 year career). They are drug free, healthy, have great work ethics or they would not have been allowed to stay until retirement (the Army is an up or out system, if you are not promoted, you are out. To be promoted, most enlisted have at least an AA, many have BA or BS).

For each of the enlisted skills listed above, there are officers who supervise and are therefore knowledgeable in these fields, though more as generalists. For instance, lawyers, doctors, logisticians, transportation experts, electrical engineers, Director HR, CFO, CEO, etc. The majority of officers retire at 54, most often (enter after college, serve 20 to 24 years). Public Health and NOAA, included in this bill, do not have an enlisted corps, they are 100 percent officer, with advanced skills to match. Like the reserve components of the Armed Forces (example: Delaware National Guard), these individuals do not draw retired pay until age 60.

See the below (partial) list of officer specialties that Delaware needs.

- 15A Aviation, General
- 15C Aviation All-Source Intelligence
- 15D Aviation Maintenance Officer
- 25A Signal, General (in the Army signal means satellites, telephones, computers, all forms of communications)
- 25G Network Integration

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

- 27A Judge Advocate General (this means “lawyer” all specialties, criminal, family, administrative, etc)
- 27B Military Judge
- 31A Military Police (same as police in civilian terms)
- 35G Signals Intelligence/Electronic (means countering electronic surveillance from others)
- 36A Financial Manager (CFO)
- 38A Civil Affairs (AA & USAR means disaster relief, aiding others, building schools, etc.)
- 42B Human Resources Officer
- 42C Army Music (means bandmaster, events planner)
- 56A Command & Unit Chaplain
- 60A Operational Medicine
- 60B Nuclear Medicine Officer
- 60C Preventive Medicine Officer
- 60D Occupational Medicine Officer
- 60F Pulmonary Disease/Critical Care
- 60G Gastroenterologist
- 60H Cardiologist
- 60J Obstetrician & Gynecologist
- 60K Urologist
- 60L Dermatologist
- 60M Allergist, Clinical Immunologist
- 60N Anesthesiologist
- 60P Pediatrician
- 60Q Pediatric Sub-Specialist
- 60R Child Neurologist
- 60S Ophthalmologist
- 60T Otolaryngologist
- 60U Child Psychiatrist
- 60V Neurologist
- 60W Psychiatrist
- 61A Nephrologist
- 61B Medical Oncologist/Hematologist
- 61C Endocrinologist
- 61D Rheumatologist
- 61E Clinical Pharmacologist
- 61F Internist
- 61G Infectious Disease Officer
- 61H Family Medicine

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

- 61J General Surgeon
- 61K Thoracic Surgeon
- 61L Plastic Surgeon
- 61M Orthopedic Surgeon
- 61N Flight Surgeon
- 61P Physiatrist
- 61Q Radiation Oncologist
- 61R Diagnostic Radiologist
- 61U Pathologist
- 61W Peripheral Vascular Surgeon
- 61Z Neurosurgeon
- 62A Emergency Physician
- 63A General Dentist
- 63B Comprehensive Dentist
- 63D Periodontist
- 63E Endodontist
- 63F Prosthodontist
- 63H Public Health Dentist
- 63K Pediatric Dentist
- 63M Orthodontist
- 63N Oral & Maxillofacial Surgeon
- 63P Oral Pathologist
- 63R Executive Dentist
- 64A Field Veterinary Service (keeping animals such as bomb detection dogs fit while deployed)
- 64B Veterinary Preventive Medicine (this means inspecting food and locations where food is prepared)
- 64C Veterinary Laboratory Animal Medicine
- 64D Veterinary Pathology (Read “The Hot Zone” to know what this means)
- 64E Veterinary Biomedical Scientist (see above)
- 64F Veterinary Clinical Medicine (like the vet you take your dog to see)
- 65A Occupational Therapy
- 65B Physical Therapy
- 65C Dietitian
- 65D Physician Assistant
- 66B Army Public Health Nurse
- 66C Psychiatric/Behavioral Health Nurse
- 66E Perioperative Nurse
- 66F Nurse Anesthetist

US Army Skills Delaware Needs

(80% of the Army is enlisted—average retirement age 38 years old, married w/kids)

- 66G Obstetrics & Gynecology
- 66H Medical-Surgical Nurse
- 66N Generalist Nurse
- 66P Family Nurse Practitioner
- 66R Psychiatric/Behavioral Health Nurse Practitioner
- 66S Critical Care Nursing
- 66T Emergency Nursing
- 66W Certified Nurse Midwife
- 67A Health Services
- 67B Laboratory Sciences
- 67C Preventive Medicine Sciences
- 67D Behavioral Sciences
- 67E Pharmacy
- 67F Optometry
- 67G Podiatry
- 67J Aeromedical Evacuation
- 88A Transportation, General
- 90A Logistics
- 91A Maintenance & Materiel Officer
- 92A Quartermaster

Do you see any jobs that Delaware would like filled in the above list? Please be aware that most likely, 100 percent tax free military pensions will be required to attract some of these highly sought after skills. If SB 201 is a “step in the right direction,” then it should be supported with a view to total tax elimination. The taxable income for the remainder of a 38 year old enlisted or a 54 year old officer far exceeds the tax benefits used to attract and retain.

From: slepage58@gmail.com
Sent: Wednesday, March 20, 2024 11:14 AM
To: Pettyjohn, Brian (LegHall); Townsend, Bryan (LegHall); McBride, Sarah (LegHall); Pinkney, Marie (LegHall); Lockman, Elizabeth (LegHall); Hocker, Gerald (LegHall); Sokola, David (LegHall)
Cc: Buckson, Eric (LegHall); Paul Davis; dskocik@aol.com; 'Gene Thornton'; 'Douglas Hudson'; Lopez, Anna M. (DOS); 'Harwood, Valerie'; anna.mlopez@yahoo.com
Subject: Support for SB 201
Attachments: State-Tax-Information-for-Military-Members-and-Retirees.pdf

Last year SB 188 passed providing those younger than age 60 a \$12,500 exemption of their military pensions.

While this was well deserved, it left out numerous veterans. Those over age 60 do not get a military retirement exemption. The \$12,500 is offered to all Delawareans and not just the military, and so that exemption is age based and not based off military service. **It also left out the Delaware National Guard.** Those in the National Guard generally receive their military pension at age 60.

Delaware's National Guard has always stepped up when called to do so by the Governor. Recently, because of their logistics experience in the movement of people and goods, that expertise was used to organize mass vaccinations of Delaware's population. Guard members were also trained as Certified Nursing Assistants (CNA's) to fill gaping holes in healthcare supporting Nursing Homes and Hospitals throughout the State.

They received a "thank you" from the Governor. I believe they deserve more than that, don't you?

What is the impact of SB 201 on a \$6.1 Billion dollar budget?

Fiscal Note to SB 201 - <https://legis.delaware.gov/json/BillDetail/GetPdfDocument?fileAttachmentId=641643>

Example: 1% = .01 (\$61 million of a \$6.1 Billion budget)

2024 – 0.033% = 0.00032786885 (2.0 million of a \$6.1 Billion budget)
2025 – 0.046% = 0.00045901639 (\$2.8 million of a \$6.1 Billion budget)
2024 – 0.056% = 0.00055737704 (\$3.4 million of a \$6.1 Billion budget)

Please also see the attached pdf to show how Delaware compares to supporting its military.




The question for you....is this too much for Delaware to do?

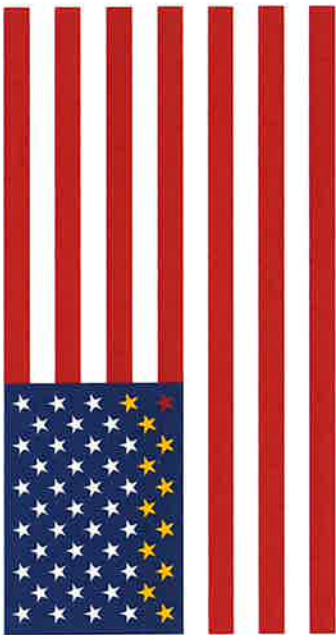
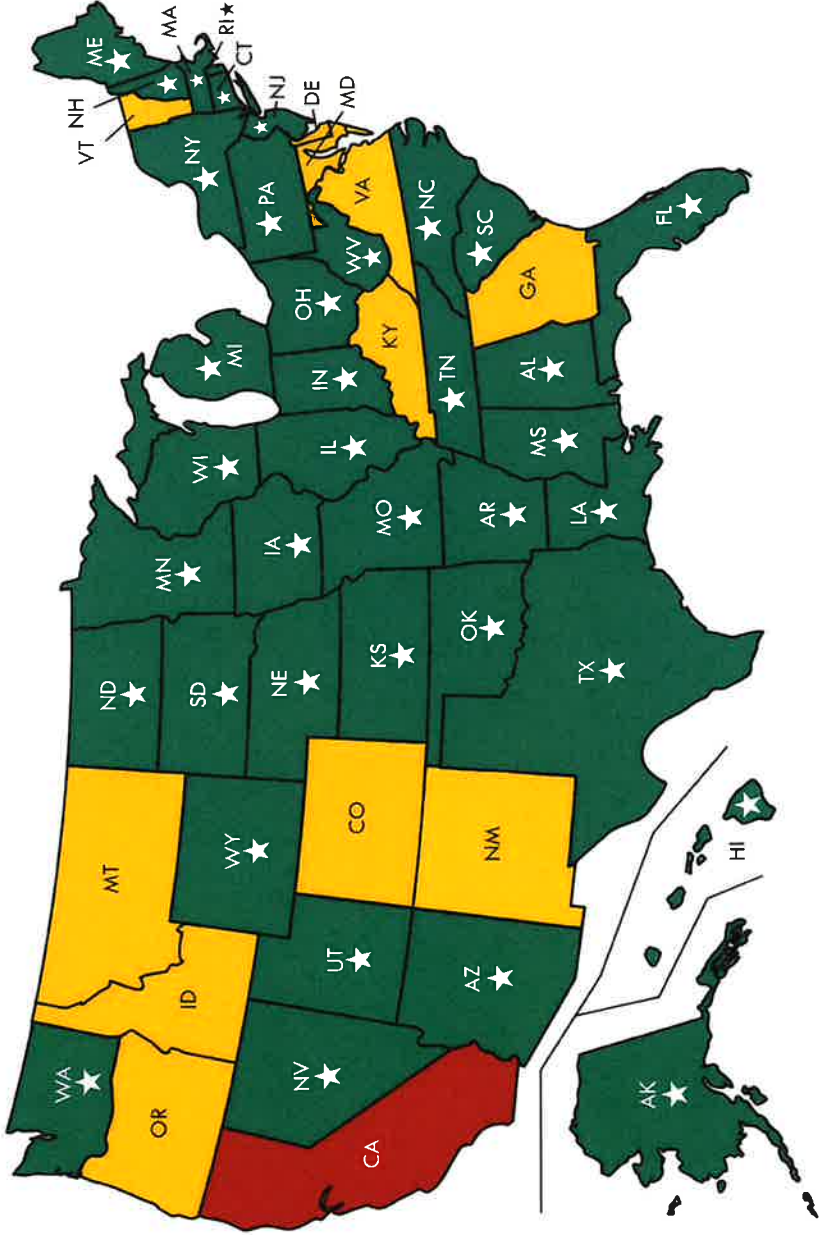
Very Respectfully,
Steven LePage
Persian Gulf War Veteran - Desert Shield/Desert Storm
USAF, Retired
State of Delaware, Department of Technology and Information, Retired

States that do not tax retired military pensions for TY 2023***

***Based on data from Military.com - <https://www.military.com/money/personal-finance/state-tax-information.html>

 Printable PDF - Map and State Information

-  - Not Taxed (38 States)
 -  - Partially Taxed (11 States)
 -  - Fully Taxed (1 States)
- 9 States with No Income Tax - Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming



Flag Stars Represents the United States Level of Support for State Military Retirement/Pension Exemption (76% of US States Support)

State Tax Information for Military Members and Retirees



23 Feb 2023

Military.com | By [Jim Absher](#)

State Tax Breaks Available for Military and Retirees

You may know that military allowances like [Basic Allowance for Housing](#) are tax-free. You may also know that most VA benefits are also tax-free.

Did you know that many states do not charge income tax on active duty or retired military pay? Many others tax only a portion of these pays.

To see what type of tax breaks your state offers for military members, retirees and survivors check out our list.

Alabama

- Military income: Follows federal rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Alabama Department of Revenue](#)

Alaska

- No state income tax. Legal residents are eligible for the [Permanent Fund Dividend](#).
- [Alaska Department of Revenue](#)

Arizona

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Arizona Department of Revenue](#)

Arkansas

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Arkansas Department of Finance](#)

California

- Military income: Military pay is taxable if stationed in California
- Retired pay: Follows federal tax rules
- Survivor Benefit Plan: Follows federal tax rules
- Social Security: Tax-free

- [California Franchise Tax Board](#)

Colorado

- Military income: Tax-free if stationed OCONUS and you spend at least 305 days outside the U.S. during the tax year. Accompanying spouse is also eligible as long as they spend at least 305 days outside the U.S
- Retired pay: Retirees under age 55 can exclude up to \$10,000 income from their taxable income, those 55 - 64 can exclude up to \$20,000, at age 65 that amount increases to \$24,000
- Survivor Benefit Plan: Same as retired pay
- Social Security: Taxable
- [Colorado Department of Revenue](#)

Connecticut

- Military income: If you are stationed outside of the state your military income is tax-free if you don't own a home in Connecticut or visit for more than 30 days.
- Retired pay: Tax-free.
- Survivor Benefit Plan: Tax-free
- Social Security: Taxable
- [Connecticut Department of Revenue Services](#)

Delaware

- Military income: Follows federal tax rules
- Retired pay: Up to \$12,500 of military retirement excluded for individuals under age 60
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Delaware Division of Revenue](#)

District of Columbia

- Military income: Follows federal tax rules
- Retired pay: Follows federal tax rules
- Survivor Benefit Plan: Follows federal tax rules
- Social Security: Tax-free
- [DC Office of Tax and Revenue](#)

Florida

- No state income tax
- [Florida Department of Revenue](#)

Georgia

- Military income: Follows federal tax rules
- Retired pay: Taxpayers over 62 or permanently disabled may be eligible for an exclusion of retired pay
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Georgia Department of Revenue](#)

Hawaii

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Hawaii Department of Taxation](#)

Idaho

- Military income: Tax-free if stationed out-of-state
- Retired pay: Tax free for retirees over 65, disabled retirees over 62.
- Survivor Benefit Plan: Same as retired pay

- Social Security: Tax-free
- [Idaho State Tax Commission](#)

Illinois

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Illinois Department of Revenue](#)

Indiana

- Military income: Up to \$5,000 of military income is tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Indiana Department of Revenue](#)

Iowa

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Iowa Department of Revenue](#)

Kansas

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Taxable
- [Kansas Department of Revenue](#)

Kentucky

- Military income: Tax-free
- Retired pay: Up to \$31,110 is tax-free, you may be able to exclude more in some situations
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Kentucky Department of Revenue](#)

Louisiana

- Military income: Beginning in 2022 up to \$50,000 is tax-free if stationed out-of-state for 120 or more consecutive days
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Louisiana Department of Revenue](#)

Maine

- Military income: Military income earned out-of-state is tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Maine Revenue Services](#)

Maryland

- Military income: If your total income is less than \$30,000 you can deduct up to \$15,000 of military pay if stationed OCONUS
- Retired pay: The first \$5,000 is tax-free. That amount increases to \$15,000 for those 55 or older
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free

- [Comptroller of Maryland](#)

Massachusetts

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Massachusetts Department of Revenue](#)

Michigan

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Michigan Department of Treasury](#)

Minnesota

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: The maximum subtraction for 2022 is \$5,450 for married joint filers, \$2,725 for married separate filers, and \$4,260 for single and head-of-household filers.
- [Minnesota Department of Revenue](#)

Mississippi

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Mississippi Department of Revenue](#)

Missouri

- Military income: Tax-free
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Taxable
- [Missouri Department of Revenue](#)

Montana

- Military income: Tax-free
- Retired pay: Up to \$4,640 is exempt if gross income is less than \$38,660
- Survivor Benefit Plan: Follows federal tax rules
- Social Security: Taxable
- [Montana Department of Revenue](#)

Nebraska

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Follows federal tax rules
- Social Security: Taxable
- [Nebraska Department of Revenue](#)

Nevada

- No state income tax.
- [Nevada Department of Taxation](#)

New Hampshire

- No income tax, tax on interest and dividends only.
- [New Hampshire Department of Revenue Administration](#)

New Jersey

- Military income: Taxable, except combat pay for Tax Year 2021 and later.
- Veteran deduction: Honorably discharged veterans qualify for a one-time \$6,000 tax deduction in the year they are discharged from active duty
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [New Jersey Division of Taxation](#)

New Mexico

- Military income: Tax-free
- Retired pay: Follows federal tax rules
- Survivor Benefit Plan: In 2022, up to \$10,000 of military retirement is tax-free. That amount increases to \$20,000 in 2023 and \$30,000 in 2024
- Social Security: Same as retired pay
- [New Mexico Taxation and Revenue Department](#)

New York

- Military income: Tax-free if you: 1) did not maintain any permanent home in New York; 2) maintained a permanent home outside New York during the entire year (barracks, bachelor officers' quarters or shipboard don't qualify.); 3) spent less than 30 days in New York during tax year. It also is tax-free if you were in a foreign country for at least 450 days during any period of 548 consecutive days
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free

- Social Security: Tax-free
- [New York Department of Taxation and Finance](#)

North Carolina

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [North Carolina Department of Revenue](#)

North Dakota

- Military income: Follows federal rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [North Dakota State Tax Commissioner](#)

Ohio

- Military income: Tax-free if stationed outside Ohio
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Ohio Department of Taxation](#)

Oklahoma

- Military income: Tax-free
- Retired pay: Beginning in 2022 retirement pay is tax-free
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Oklahoma Tax Commission](#)

Oregon

- Military income: All active duty pay earned out-of-state is tax-free, up to \$6,000 of active-duty pay earned in Oregon is also tax-free
- Retired pay: If you had military service before Oct. 1, 1991 you may be able to deduct a portion of your retirement pay. If you didn't have military or federal service prior to Oct. 1, 1991, your military retirement is taxed normally
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [Oregon Department of Revenue](#)

Pennsylvania

- Military income: Tax-free if stationed out-of-state
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Tax-free
- [Pennsylvania Department of Revenue](#)

Rhode Island

- Military income: Follows federal tax rules
- Retired pay: Effective in 2022, military retirement is tax-free
- Survivor Benefit Plan: Same as retired pay
- Social Security: Taxable
- [Rhode Island Department of Revenue](#)

South Carolina

- Military income: Active duty pay is taxable. Reserve & National Guard drill pay is not taxable

- Retired pay: Effective in 2022, military retirement is tax-free.
- Survivor Benefit Plan: Same as retired pay
- Social Security: Tax-free
- [South Carolina Department of Revenue](#)

South Dakota

- No state income tax
- [South Dakota Department of Revenue](#)

Tennessee

- Tennessee has no income tax, but it does have a tax on interest and dividends
- [Tennessee Department of Revenue](#)

Texas

- No state income tax
- [Texas Comptroller of Public Accounts](#)

Utah

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Taxable
- [Utah State Tax Commission](#)

Vermont

- Military income: Active duty military pay earned outside NH is tax-free.
- Retired pay: Beginning in 2022, up to \$10,000 in retirement income is tax-free for those with a gross income less than \$50,000 for single filers or \$65,000 for joint filers.
- Survivor Benefit Plan: Follows federal tax rules

- Social Security: Taxable
- [Vermont Department of Taxes](#)

Virginia

- Military income: Up to \$15,000 of military basic pay received during the taxable year may be exempted from Virginia income tax. For every \$1.00 of income over \$15,000, the maximum subtraction is reduced by \$1.00. For example, if your basic pay is \$16,000, you are entitled to deduct only \$14,000. You are not eligible for the subtraction if your military basic pay is \$30,000 or more. For VA National Guard, up to 39 calendar days of service or \$3,000 (whichever is less) may be deducted from your income when filing. This deduction is only available for O-3 and below.
- Retired pay: In 2022, up to \$10,000 of retirement pay is tax-free for retirees 55 and older. That amount increases by \$10,000 each year until 2025, when up to \$40,000 is deductible.
- Survivor Benefit Plan: Same as retired pay.
- Social Security: Tax-free
- [Virginia Tax Website](#)

Washington

- No state income tax
- [Washington State Department of Revenue](#)

West Virginia

- Military income: Tax-free if stationed out-of-state
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free
- Social Security: Taxable

- [West Virginia State Tax Department](#)

Wisconsin

- Military income: Follows federal tax rules
- Retired pay: Tax-free
- Survivor Benefit Plan: Tax-free

- Social Security: Tax-free
- [Wisconsin Department of Revenue](#)

Wyoming

- No state income tax
- [Wyoming Department of Revenue](#)