

HCS HB 1788 & 1882 -- INCOME TAX DEDUCTION FOR MILITARY PENSIONS

SPONSOR: Day

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Veterans by a vote of 11 to 0.

Beginning January 1, 2008, this substitute authorizes an income tax deduction from a taxpayer's Missouri adjusted gross income for 100% of any military retirement income, regardless of age or income.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$17,500,000 in FY 2009, FY 2010, and FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROponents: Supporters of the bills say that many of our surrounding states have tax deductions for military pensions. These states are actively recruiting military retirees to move from Missouri into their state. The bill will give military retirees the incentive to stay here and potentially attract retirees from other states to Missouri.

Testifying for HB 1788 was Representatives Day. Testifying for HB 1882 was Representative Kraus.

OPponents: There was no opposition voiced to the committee.