

HCS HB 82 -- INCOME TAX CREDIT FOR MILITARY RETIREMENT BENEFITS

SPONSOR: Day (Kraus)

COMMITTEE ACTION: Voted "do pass" by the Committee on Veterans by a vote of 9 to 0 with 1 present.

Beginning January 1, 2011, this substitute authorizes an income tax deduction from a taxpayer's Missouri adjusted gross income for 15% of any military retirement income, regardless of age or income. The tax deduction rate will increase by 15% annually until it is fully phased out in 2017.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 in FY 2010, \$0 in FY 2011, and More than \$24,236 (Expected to exceed \$1 million) in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters 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 the bill were Representative Kraus; Dewey Riehn and Robert Gibson, Veterans of Foreign Wars of the United States, Missouri Department; Rich Heigert, American Legion, Department of Missouri; and Bill Ratliff, Missouri National Guard Association.

OPPOSERS: There was no opposition voiced to the committee.