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## HOUSE JOINT RESOLUTION NO. 102

Offered January 10, 2018

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*Requesting the Department of Veterans Services and the Department of Taxation to study the feasibility of exempting military retirement income from taxation. Report.*

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Patrons—Torian and Bell, John J.

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Referred to Committee on Rules

WHEREAS, over half of the states exempt from taxation military retirement income or a portion thereof; and

WHEREAS, Maryland, North Carolina, and West Virginia, which share a border with Virginia, either partially or fully exempt military retirement income from taxation; and

WHEREAS, Virginia currently exempts from taxation military retirement income only if the taxpayer is a recipient of the Congressional Medal of Honor; and

WHEREAS, Virginia should strive to maintain its reputation as a veteran-friendly state, and, more importantly, strive to reward veterans for their service to Virginia and the United States, by making military retirement income fully exempt from state income taxes; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Veterans Services and the Department of Taxation (the agencies) be requested to convene a joint working group to study the feasibility of exempting military retirement income from taxation.

In conducting their study, the agencies shall evaluate the effects of phasing in a full exemption of military retirement income over a four-year, five-year, or six-year period or any other time period the agencies deem appropriate. The agencies shall consider (i) the impact of fully exempting military retirement income on Virginia's current population of veterans, (ii) the effect of such exemption in terms of improving Virginia's competitiveness in comparison with other states as a desirable location for veterans to live, (iii) the revenue losses associated with fully exempting military retirement income from state income tax, and (iv) any other factors the agencies deem relevant. The agencies shall review any other issues and make recommendations as appropriate.

Technical assistance shall be provided to the agencies by the Virginia Retirement System. All agencies of the Commonwealth shall provide assistance to the agencies for this study, upon request.

The agencies shall complete their meetings by November 30, 2018, and shall submit to the Governor and the General Assembly an executive summary and a report of their findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2019 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

INTRODUCED

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