

# Senate Bill 19

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Exempts military compensation, including death gratuity and other qualified military benefits, from income taxation. Limits exemption to Oregon National Guard, organized militia or other reserve forces performing service under active duty status.

Applies to tax years beginning on or after January 1, 2001, and before January 1, 2006.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to taxation of military compensation; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2005 Act is added to and made a part of ORS chapter 316.**

5 **SECTION 2. Compensation, including death gratuity and other qualified military benefits**  
6 **described in section 134 of the Internal Revenue Code, received by a member of the Oregon**  
7 **National Guard, military reserve forces or the organized militia of any other state or terri-**  
8 **tory of the United States, that is attributable to service performed after a change in status**  
9 **from Title 32 to Title 10 of the United States Code, and before the termination of Title 10**  
10 **status, is exempt from taxation under this section.**

11 **SECTION 3. Section 2 of this 2005 Act applies to tax years beginning on or after January**  
12 **1, 2001, and before January 1, 2006.**

13 **SECTION 4. (1) Notwithstanding ORS 305.270 or 314.415 or other law limiting the period**  
14 **of time for which a refund of personal income tax may be made, a taxpayer may file a claim**  
15 **for refund of tax paid for a tax year beginning on or after January 1, 2001, and before Janu-**  
16 **ary 1, 2002, if the claim for refund is based on the inclusion within gross income of compen-**  
17 **sation described in section 2 of this 2005 Act.**

18 **(2) The Department of Revenue shall refund amounts due for a claim described in sub-**  
19 **section (1) of this section if the claim is allowable and the claim has been filed with the de-**  
20 **partment before July 1, 2006.**

21 **SECTION 5. Section 4 of this 2005 Act is repealed on January 2, 2007.**

22 **SECTION 6. This 2005 Act takes effect on the 91st day after the date on which the reg-**  
23 **ular session of the Seventy-third Legislative Assembly adjourns sine die.**

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**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.