

Testimony of Jason Lill of Simsbury in Support of:

Proposed S.B. No. 520 AN ACT CONCERNING MILITARY RETIREMENT PAY.

Proposed S.B. No. 524 AN ACT EXEMPTING STATE ACTIVE DUTY PAY FROM THE
INCOME TAX.

Proposed S.B. No. 526 AN ACT PROVIDING AN INCOME TAX EXEMPTION TO
MEMBERS OF THE ARMED FORCES AND VETERANS

Committee on Veteran's Affairs Committee Public Hearing
Tuesday, February 17th, 12pm
Room 1B

Chairman Hennessy, Chairman Flexer, Members of the Committee on Veteran's Affairs, for the record my name is Jason Lill of Simsbury and I am here to testify in support of Senate Bills 520, 524 and 526.

I would like to thank the committee for raising these bills and the opportunity to submit testimony here today. I had originally approached Rep. Hampton about introducing a similar bill HB 6592 AN ACT CONCERNING THE INCOME TAX EXEMPTION FOR MILITARY RETIREMENT PAY, which would have increased the exemption from state income tax on military retirement pay from fifty per cent to one hundred per cent. I am glad to see that the committee has decided to raise very similar language to do the same thing.

I retired from Active Duty Title 32 this past October after 25 years in the Army National Guard and 20 of those years in the Connecticut Army National Guard. I reached the rank of Chief Warrant Officer 4 as a C-12 Senior Instructor Pilot deploying to Afghanistan, Middle East and many other locations in South and Central America.

During my career, my peers and I would discuss and dream about retiring from the Army. Most of us would retire from active duty service and some from a traditional guard retirement at age 60. In deciding where we would start our new life, the subject always came up that neighboring states such as New York and Massachusetts don't tax military retirement. Why stay in Connecticut? It is one of the top 5 highest taxed states in the nation, only 50% military pension exemption and the least desirable state to retire to.

The following states do have an income tax, but they exempt military retirement pay entirely. These states are:

- Alabama
- Hawaii
- Illinois (5th Highest Taxed State)
- Kansas
- Louisiana
- Massachusetts
- Michigan
- Mississippi
- New Jersey (8th Highest Taxed State)
- New York (Highest Taxed State)
- Ohio
- Pennsylvania
- Wisconsin

States with no income tax. By default, military retirement pay is completely exempt from tax. These states are:

- Alaska
- Florida
- Nevada
- New Hampshire
- South Dakota
- Tennessee
- Texas
- Washington
- Wyoming

The average age for a military officer to retire is about 45, so the majority will have to start a new career or pursue higher education. The wages they will earn in their second life could be reinvested in our state's economy. It would seem to me that the State of Connecticut would give an incentive for these brave men and women to stay. They have already given enough; therefore let us not take more.

Sincerely,

John Jason Lill
CW4 (ret)