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HB2467 (Proponent)

What is the first responsibility of government. The first and foremost responsibility of any legitimate government is to protect its citizens. It is the first responsibility of government in a democratic society to protect and safeguard the lives of its citizens. A necessary element of assuring our capability to provide for the common defense is our Armed Forces. Therein we collectively act in unison with all states of the commonwealth to raise, man, finance, and support our military forces. These men and women deploy frequently and for extended episodes outside our national borders to

At question today is whether or not to exempt the first \$30,000 of annual pay of servicemen/women from Kansas income taxation. I would suggest the objective should rather be how do we, as a state, encourage our men and women to participate in the common defense of our republic and state; and, when that period of service is completed to return to this state of residence and contribute their time and labor to our economy and society. Further, how can we attract other's to our State as well.

What will become the target population for this action; and, what are the actual tax receipts potential in this action. The sum of all men and women serving under assignment in the state of Kansas are approximately 21,604 personnel. Further there are approximately 9,644 in our National Guard and Reserve Forces (governing.com)

According to the Kansas Instructions: A Kansas Resident is an individual that lives in Kansas, regardless of where employed. A resident is also individual that is away from Kansas and plans to return is a resident.

Legal residency determines what local (state) tax laws a military member is subject to, and in which local (city, county, and state) elections they may vote in. Military members may have legal residence in one state but be stationed in a different state, and the Servicemembers Civil Relief Act allows for military members to pay taxes, register vehicles, vote, etc. in their state of legal residence

According to the Kansas Income Tax Instructions for Armed Forces Personnel, the active duty pay of a military member is taxable only in the state of legal residence no matter where the servicemember is stationed. If you are a resident of Kansas, your active duty military pay is taxable on your Kansas return. Further, Kansas income for services performed by a non-military spouse of a nonresident military service member is exempt from Kansas income tax. To qualify for this exemption, the non-military spouse must be residing in Kansas solely because the military service member is stationed in Kansas under military orders.

What is the 'State of RESIDENCY' for service members? The state of RECORD is the state of residency held by the person when they enter military service. Thereafter the 'State of RESIDENCY' is the state they consider their permanent home.

Service-members in the military can, at will, change their "legal residence" to a state that does not have an income tax. Currently there are seven states that do not tax military retirement income: Florida, Texas, Alaska, Nevada, South Dakota, Washington, and Wyoming. If necessary, military members can change their legal state of residency by visiting their legal services office and completing a DD form 2058 (State of Legal Residency Certificate).

I am suggesting in my commentary that the number of service members that you can relieve from taxation through this action is minimal and that exempting the first \$30,000 from taxation will have little effect on your tax receipts. Further, establishing this exemption may prevent serving members stationed outside the State of Kansas from changing their state of residency and encourage them and others to choose Kansas to live when they separate from military service.

The objective should be to grow our state into a location in which citizens experience the best quality of life in the Nation. We want to attract and keep able bodied, well educated, law abiding men, women, and families to Kansas to live long lives, prosper, and die. Men and women in our Armed forces and their families fit that mold. Let's attract them to choose Kansas as their home for life.