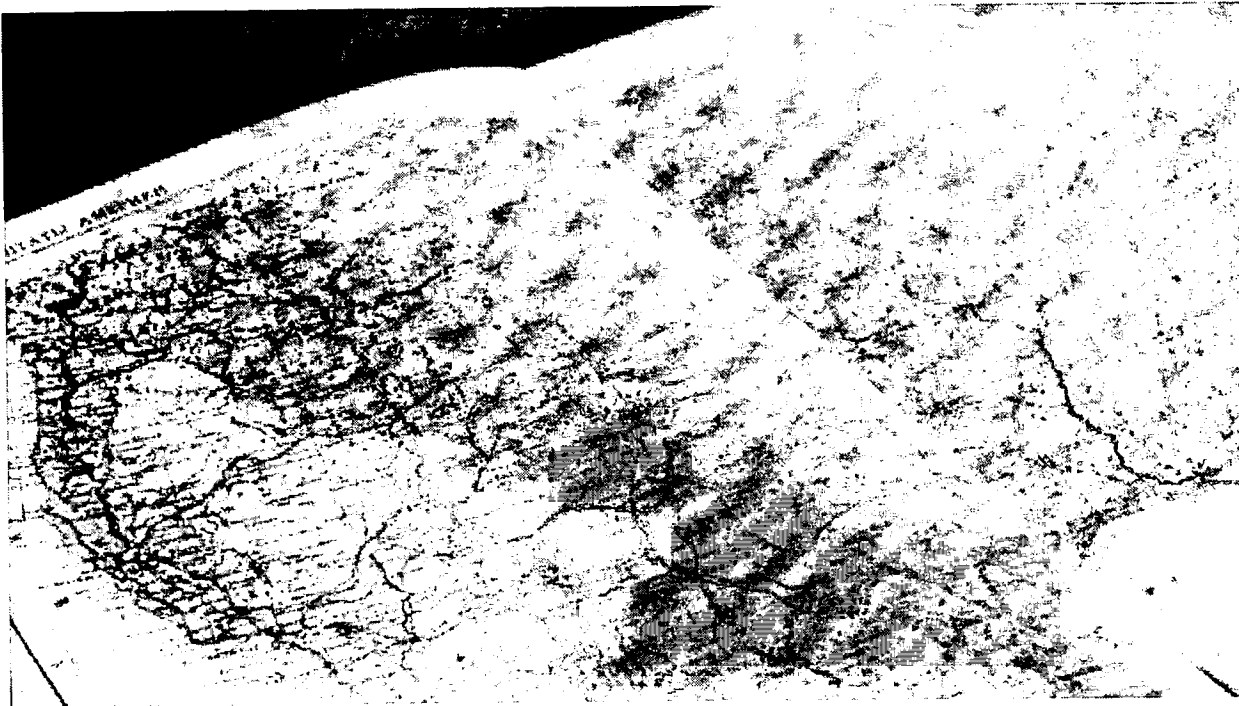


State Retirement Income Tax¹



Military.com

Some states don't charge income tax on military retired pay. In all states, VA & Social Security disability payments are tax-free.

If you have issues with retired pay and state income tax, including changing your withholding amount, you can always contact DFAS for assistance.



Use Your VA Loan Benefit. Vets Don't Need 20% down + No Mortgage Insurance Ever. Click Here!

You can contact DFAS at:

¹ <https://www.military.com/benefits/military-pay/state-retirement-income-tax.html>

Defense Finance and Accounting Service

US Military Retirement Pay

8899 E 56 St

Indianapolis, IN 46249-1200

Phone: 800-321-1080

STATES WITHOUT PERSONAL INCOME TAX

Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming do not have a personal income tax. Two others, New Hampshire and Tennessee, tax only dividend and interest income.

STATES THAT DON'T TAX MILITARY RETIREMENT PAY

The following states do not tax retired military pay.

Alabama	Iowa	Minnesota	Pennsylvania
Arkansas (effective 2018)	Kansas	Mississippi	West Virginia (effective 2018)
Connecticut	Louisiana	New Jersey	Wisconsin
Hawaii	Maine	New York	
Illinois	Massachusetts	Ohio	

STATES WITH SPECIAL MILITARY RETIREMENT PAY EXEMPTIONS

The following states have special provisions for military or public pensions:

Arizona ¹	Indiana ⁷	North Carolina ¹³
Arkansas ²	Kentucky ⁸	Oklahoma ¹⁴
Colorado ³	Maryland ⁹	Oregon ¹⁵

Delaware ⁴	Michigan ¹⁰	South Carolina ¹⁶
District of Columbia ⁵	Missouri ¹¹	West Virginia ¹⁷
Idaho ⁶	Nebraska ¹²	

¹The first \$2,500 of military retirement pay is exempt. ²The first \$6,000 of military retirement pay is exempt, in 2018 all military retirement is tax-free. ³Military retirees ages 55 - 64 can exclude up to \$20,000 in any one tax year from their retirement pay, those 65 and over can exclude up to \$24,000. ⁴Up to \$2,000 of military retirement excluded for individuals under age 60; \$12,500 if 60 or older. ⁵Up to \$3,000 of military pay excluded for individuals 62 or older. ⁶Only if the retiree is over age 65, or over age 62 and disabled ⁷Servicemember or surviving spouse (if 60 on the last day of the tax year) is entitled to a deduction of up to \$5,000 of military retirement or survivor benefits. If you received both military and retirement pay or survivor benefits in the same tax year, you cannot exclude more than \$5,000. ⁸Partially exempt if retired after December 31, 1997; exempt if retired before January 1, 1998 ⁹Military retirees are exempt from income tax on the first \$5,000, with an increase to the first \$10,000 (once they become over the age of 65), of their retirement income. ¹⁰Military retirement benefits in Michigan *may* be tax-free depending on your age, filing status, other pensions, and income from other sources. ¹¹Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct the greater of \$6,000 or 100 percent of their public retirement benefits, to the extent the amounts are included in their federal adjusted gross income. ¹²Special rules see our [Nebraska State Benefits Page](#). ¹³Only if you had at least 5 years active duty before August 12, 1989 ¹⁴The greater of 75% of your retirement pay or \$10,000 ¹⁵If you had military service before October 1, 1991 you may be able to deduct a portion of your retirement pay. If you didn't have military or federal service prior to October 1, 1991, your military retirement is taxed normally. ¹⁶An individual taxpayer who has military retirement income, may deduct an amount from his South Carolina taxable income equal to the amount of military retirement income that is included in his South Carolina taxable income. The deductions are phased in over five years beginning in 2016. ¹⁷First \$2,000 is exempt, plus an additional exclusion total whose formula is years of military service multiplied by 2 percent, multiplied by military pension; or \$20,000, whichever is less. In 2018 all military retirement is tax-free.

year, Arkansas passed a law ending their tax in 2018, and the West Virginia legislature just passed a measure, which was requested by the governor, this week. It is expected to become law soon.



Use Your VA Loan Benefit.

Vets Don't Need 20% down + No Mortgage Insurance Ever. Click Here!

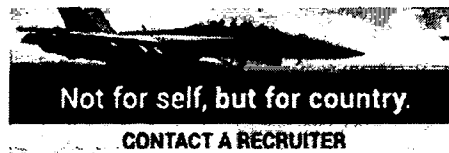
Previously in West Virginia up to \$20,000 of military retirement income wasn't taxed at the state level.

Fifteen states plus DC have some type of exemption for military retirees. After West Virginia and Arkansas end their taxation, only the following states will fully tax retiree income:

- California
- Georgia
- Montana
- New Mexico
- North Dakota
- Rhode Island
- Utah
- Vermont
- Virginia

- All Agencies Target Home Loan Capping Aimed at Vets
- President Signs Executive Order To Combat Veteran Suicide
- VA to Begin Paying Up to 800,000 Non-VA Emergency Claims
- 'Chained CPI' Shaves Tax Breaks. Will Your Retired Pay Be Next?
- What's New In Military and Veterans Benefits for 2018

View more



MOST POPULAR MILITARY PAY ARTICLES



2018 Military Pay Charts



Military Retired Pay Overview



COLA for Retired Pay