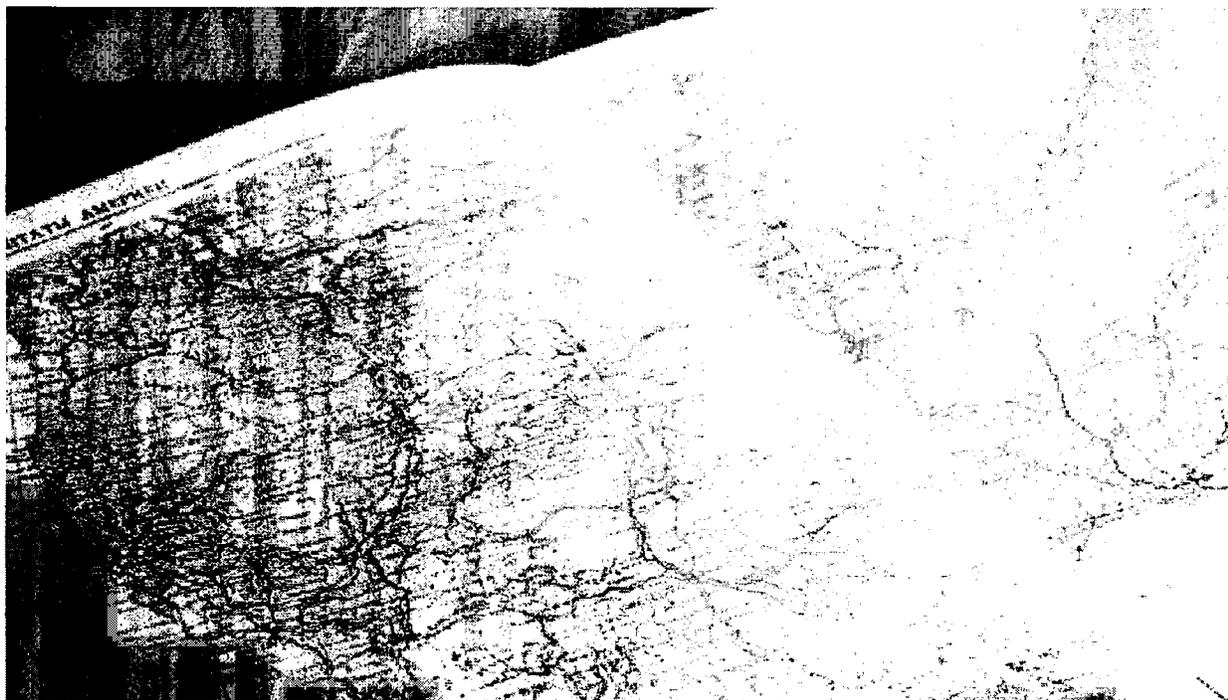


## State Retirement Income Tax<sup>1</sup>



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:

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<sup>1</sup> <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

*44 States offer full or partial*

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 10	Iowa 15	Minnesota 20	Pennsylvania 25
Arkansas (effective 2018) 11	Kansas 16	Mississippi 21	West Virginia (effective 2018) 26
Connecticut 12	Louisiana 17	New Jersey 22	Wisconsin 27
Hawaii 13	Maine 18	New York 23	
Illinois 14	Massachusetts 19	Ohio 24	

STATES WITH SPECIAL MILITARY RETIREMENT PAY EXEMPTIONS

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

Arizona <sup>1</sup> 28	Indiana <sup>7</sup> 31	North Carolina <sup>13</sup> 34
Arkansas <sup>2</sup> 29	Kentucky <sup>8</sup> 32	Oklahoma <sup>14</sup> 35
Colorado <sup>3</sup> 30	Maryland <sup>9</sup> 37	Oregon <sup>15</sup> 36

Delaware <sup>4</sup> 37	Michigan <sup>10</sup> 40	South Carolina <sup>16</sup> 43
District of Columbia <sup>5</sup> 38	Missouri <sup>11</sup> 41	West Virginia <sup>17</sup> 44
Idaho <sup>6</sup> 39	Nebraska <sup>12</sup> 42	

<sup>1</sup>The first \$2,500 of military retirement pay is exempt. <sup>2</sup>The first \$6,000 of military retirement pay is exempt, in 2018 all military retirement is tax-free. <sup>3</sup>Military 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. <sup>4</sup>Up to \$2,000 of military retirement excluded for individuals under age 60; \$12,500 if 60 or older. <sup>5</sup>Up to \$3,000 of military pay excluded for individuals 62 or older. <sup>6</sup>Only if the retiree is over age 65, or over age 62 and disabled <sup>7</sup>Servicemember 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. <sup>8</sup>Partially exempt if retired after December 31, 1997; exempt if retired before January 1, 1998 <sup>9</sup>Military 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. <sup>10</sup>Military retirement benefits in Michigan *may* be tax-free depending on your age, filing status, other pensions, and income from other sources. <sup>11</sup>Married 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. <sup>12</sup>Special rules see our [Nebraska State Benefits Page](#). <sup>13</sup>Only if you had at least 5 years active duty before August 12, 1989 <sup>14</sup>The greater of 75% of your retirement pay or \$10,000 <sup>15</sup>If 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. <sup>16</sup>An 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. <sup>17</sup>First \$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.