

PHILIP B. SCOTT  
GOVERNOR



State of Vermont  
OFFICE OF THE GOVERNOR

**MEMORANDUM**

To: House Ways and Means Committee  
Senate Finance Committee

cc: House Appropriations Committee  
Senate Appropriations Committee  
Vermont National Guard & Veterans Affairs Caucus

Submitted by: Kendal Smith, Office of the Governor  
Director of Policy Development and Legislative Affairs

Subject: Income Tax on Military Pensions and Survivor Benefits

Date: March 4, 2022

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Beginning in 2018, the Governor has consistently proposed exempting 100 percent of military retirement pay, allowing us to join 47 other states that have already greatly reduced or removed this burden for those who devoted their careers, and their lives, in service to our nation. He will continue to do so until the initiative either passes, or he is no longer in office, as a way to retain current residents, encourage relocation to Vermont, and recognize veterans' service.

In the most current FY23 budget, the Governor has taken an additional step to remove taxation on survivor benefits for an additional \$280,000.

In an issue brief published by the Joint Fiscal Office last February, it was noted national data shows that 70 percent of military retirees retire between the ages of 35 and 50, which means these retirees can join our civilian workforce and bring skills and experience to help with our workforce shortage. The Administration and Secretary of State, in collaboration with the Legislature, took the first step in 2018, by creating an incentive for retired military members to either stay or relocate to Vermont by recognizing military credentials for State occupational licensing purposes. Their skills can easily be transferred to civilian occupations.

We appreciate there are concerns about how effective this will be as a retention and relocation tool. In response to those concerns, attached please find a sample of the messages received by the Governor's Office supporting removing this tax. For example, Col. Pete Connelly from Lorton, Virginia in 2019 shared, *"I'm a proud graduate of the Norwich University class of '85. Love Vermont! ...The absolute happiest years before I had my own kids were all in memories of my time there. When I struggled later in life with being stuck in the desert ... I would dream of Vermont and pretend for a few minutes that I was actually there. I would like to move back to my home. But it doesn't make financial sense.... My wife and I are now searching for a wonderful place to retire to... Mr. Governor, please recognize that it makes a whole lot more sense for us to move to NH or even western Mass, simply because of the VT taxation of military retirement. If Vermont was to do something – anything... it would bring more of the State's veterans home."*

Or, Peter Niles from Bennington wrote *"I am a first time writer to my elected officials... I am retiring from the Coast Guard in October 2020 and plan to reside in Bennington (VT) where my family currently resides, and my children go to school. I am writing to ascertain where we stand on your goal of eliminating taxes on military retirement pay? I ask because this surely is going to be the biggest factor in my remaining in Vermont, the State I love."* If you take the time to read through the attached messages, you will see many similar sentiments expressed that the taxation of military pensions is an important consideration for this population when deciding where to live.

These anecdotal examples are supported by numerous studies, and the experience of other states. [Testimony](#) submitted to Senate Finance on February 22<sup>nd</sup> by Senator Randy Brock points to Iowa's experience, where in 2014, Iowa eliminated its taxation of military retirement benefits and between 2013 and 2020, Iowa saw its number of military retirees increase by 8.4 percent. Additionally, the testimony sites studies by University of Arkansas's Institute for Economic Advancement, the San Diego Military Advisory Council (SDMAC), and Arrowhead Center in New Mexico, all support that there is a net fiscal benefit to states when they implement a tax exemption on military pensions.

We also understand there is a hesitancy this will create a slippery slope to removing the taxation of other sector's pensions. However, this has not been supported by the experience of 47 other states who have this exemption in place.

While S.53, currently pending in the Senate Finance Committee, contains a \$10,000 exemption, this is not enough to compete with the rest of the country. The Governor strongly believes that we must remove the full tax.

We hope seeing some of the outreach received by the Governor's Office will be insightful and informative to this conversation. The Department of Tax, Department of Labor, and Agency of Commerce look forward to continuing to discuss this initiative with your Committees and the Vermont National Guard & Veterans Affairs Caucus.

Jackie Kelly  
Bennington, VT

Hello Governor Scott,

First of all, congratulations on your election. I am really hopeful that you can bring Vermont's economy forward. I have a suggestion that you may want to consider. Presently 14 states exempt military pensions from states taxes. Seventeen more exempt partial military pensions. Nineteen states fully tax military pensions. The veteran military who serve our country usually retire after 20 years when they are 38-40 years of age. Their pension is not large so they usually begin another career. I don't think I need to tell you that these are hard working, dedicated people who are part of a trained work force. If Vermont decides to join the other 31 states who exempt or partially exempt military pensions, you will attract a solid trained workforce that you can count on for the future. For the record, I am not veteran. I did however work with the military for over 30 years and know how valuable veterans are.

Sincerely yours,  
Jackie Kelly  
Bennington, VT

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Aaron Rivers  
Shiloh, IL

Dear Governor Scott -

I am writing on behalf of not only myself, but the 3,851 military retirees currently living in Vermont (as of 2015), as well as the roughly 25,000 military members that retire each year. The common link for all of us; our military pensions.

I am in my 17th year in the Air Force, meaning the magical 20 years required for retirement is right around the corner. As I ponder the options available to me for post-military life, one of the things that continues to trouble me is the state taxation of military pensions. I have repeatedly searched the internet in the hopes that Vermont is planning on, or at least thinking about, the possibility of eliminating its military pension tax. To date, I have found nothing.

As I am sure you know, Vermont is a wonderful place to live (I am a native Vermonter, as have been the previous nine generations of my family), and my wife and I would love to return there to raise our children. However, I am forced to take a serious pause when I consider that the pension I earned over a 20+ year career in the military is going to be taxed if I move home. This is a stark contrast to the states bordering Vermont. New York, Massachusetts, and New Hampshire all exempt military pensions from state taxation, and Maine just completed legislation to do the same.

Each of these states have significantly more military retirees living within their borders than Vermont. Each also recognizes that exempting military pensions from taxes not only honors those veterans service, but encourages highly skilled veteran technicians, entrepreneurs, and laborers to move to that state, over a state that does tax a pension. I know that Vermont is \$4B in debt, and spending is outpacing revenue, but I believe that exempting military pensions from taxation will provide the impetus to draw veterans to Vermont, increasing the pool of skilled workers (something Vermont is in need of). Over 95% of veterans continue to work after retiring from the military, and they bring with them an incredible work ethic and skills that make them a highly valuable member of any community. Combine that with the higher-than-average

wages from the job they will be working after military retirement (which WILL be taxable), and it's a win-win situation for Vermont.

I know these are tight times for our state, and the legislature is looking for any possible revenue producing stream to reduce the debt, but I truly feel that exempting military retirement pensions will provide a tremendous benefit to the state in the long-term, in the form of highly skilled veteran workers, higher taxable income on the wages of the jobs they'll be working, AND the honorable values they'll be bringing with them.

Thank you for your time, and consideration of my proposal.

Respectfully,

Aaron Rivers, Lt Col, USAF

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Michael Palaza  
Colchester, VT

Dear Governor Scott,

I recently met you at the West Point event in Montpelier; we spoke about tuition remission for members of the National Guard. Similar to my emphasis on keeping educated and hard working folks in VT; today I am writing concerning the upcoming vote on Military Pension Tax Exemption from Vermont income tax bill.

When active duty Soldiers retire, they as most of us, look to find an advantageous state to reside. National Guard Soldiers from VT who have served for twenty years also draw a retirement, we need them to stay VT! However, with so many of our surrounding states offering tax exemptions & tuition remission - it's hard to keep quality Veterans in VT!

As a Lieutenant Colonel, I am proud and humbled having retired from the Army with 22.5 years of active duty service. I have chosen to stay in VT, despite being taxed on my retirement. However, those of less rank, cannot afford to stay in VT. I would like to make two key points in favor of voting "YES" regarding the Military Pension Tax Exemption Income Tax Bill:

1. Military pay and retirement pay are based on rank and years of service. The majority Soldiers are enlisted versus officers. The enlisted pay scale is significantly less than for officers. These enlisted retirees, cannot afford to loose the value of moving to another state -every bit of income helps. Vermont needs these "Educated", "Hard Working" , and "Service Oriented" people to STAY IN VT!
2. Most retired Soldiers are educated! They come with skills from having served for 20 years or more! The trade off of not taxing their federal retirement will benefit VT!

Please tell our lawmakers about the benefits!

Sincerely,

Michael Palaza

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Frederick R. Messer  
Waitsfield, VT

Good day, Mr. Governor,

Thank you for offering your thoughts yesterday during your WDEV interview concerning the taxation of military pensions. As you most likely could tell, I am passionate about taking care of our veterans. I would like to offer a suggestion to you, that when you next addressed the legislature in January, you bring this subject to their attention and asked them to legislate an end to Vermont's taxation of military pensions.

It seems that Vermont is one of only four states that tax military pensions. The other States being California, Utah and North Dakota. Previously Georgia and Rhode Island also taxed pensions but has since stopped. Obviously the nationwide the trend is to do away with this practice.

As I stated yesterday on the radio, I think it is shameful that the men and women of this state, who proudly served it and our nation, are so taxed. Many of whom deployed to Iraq, Afghanistan and in other places where the United States Armed Forces were fighting. I know that you have seen many of these men and women board planes that took them away from our State and their families to these places. I also know you were present when those planes brought them back home to us. Please remind the legislature of this.

Thank you for your time sir,  
Sincerely,  
Fred from Waitsfield

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Timothy S. Johnson  
Chester, VT

supports military pension abatement. Supports free tuition for the National Guard

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Kenneth Beard  
Colchester, VT

Voice mail - Retired navy and said he appreciates what the Governor signed for S.S. He is asking what are the chances to have military pension taxes discussed in the next legislative session. He supports Governor Scott in his re-election.

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Scott Wooster  
Hannacroix, NY

Dear Governor Scott,  
I was born and raised in Vermont, joined the US Navy in 1990 and retired in 2013. I currently live in NY but want to move back to Vermont. I was wondering why Vermont continues to tax military pensions while at the same time offers incentives for people to move to Vermont. It seems to me that you could be drawing incentivizing Vermonters to return after military service by making military retirement tax free like some other states, such as your neighbor to the west, NY.

Thank you for your time,  
Scott A. Wooster

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C. Jay West  
St. Albans City, VT

Governor Scott; I am writing you this letter in reference to the bill which was introduced to "Do Away" with our SS taxes, is this include DSS as well? And does this bill pertain to Military Pensions as well? Collecting one check it's getting to the point where the money isn't there. Sir, we need to stop trying to find ways to tax Vermonters and try to figure out ways to create new revenues by making Vt more accessible. Bringing in new business will help with the load. Vt. must get more business friendly. When it gets to the point where they are taxing us for the rainwater coming off our roofs and going down the wastewater drains is pretty damn sad. Please, sir, we have had enough. we (I) have nothing more to give, it's sad when one has to work his or her's whole life and has to give it all back for taxes. Vt is a very small state. I have a few ideas but, I'll leave that for another day, Thank You for your time and good luck going forward your the election for governor.

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Faruk Jessa  
Mason City, IA

Hi Phil,

I am a Veteran and living in Iowa. If Vermont can be a bit more Veteran friendly state we would move there tomorrow. For a veteran to move there we would need the following:

1. VA medical Clinics in Vermont to participate in the CITI program for spouses as they do in Iowa.
2. Disabled Veterans with 100% permanent & total disability get property taxes exempt.
3. Advelorem Tax on vehicles exempt
4. Free Disabled Veteran ( DV) license plates that can park in handicapped spots
5. Veteran designation on license plates
6. Additional \$5000 towards a home purchase

You get the picture. We receive a very good veteran disability pension and my wife is a medical professional. I hope Vermont will take steps to meet the above 1 thru 6 to attract more Veterans to move there.

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Bill Bandy  
Moretown, VT

Veteran, is in full support for eliminating the tax on military pensions.

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Whit Conley  
Lafayette, CA

Asking for the Gov. to cut taxes on military pensions

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Robert H. Tower  
Richford, VT

Dear Governor,

I am contacting you to respectfully ask that you support H.435, An Act Relating to the Exemption of Military Retirement Pay from State Income Taxation. I am a retired veteran with over 25 years of service and and have made Vermont my home since 1971. I served in Vietnam with the United States Marines Corps in Quang Tri Province and completed my military service with the Vermont Army National Guard, I believe it is time that retired Veterans be granted this

exemption. I along with several other veterans believe this Bill be given a chance to passed and signed into law.

A fellow veteran wrote and shared with me, Vermont continues to distinguish itself as having one of the highest rates of per capita military service. Unfortunately, Vermont is also notable for being one of only eight states that fully taxes military retirement pay. Due to this tax, many of those I served with immediately left Vermont after meeting their military retirement requirements, or they did not return after having served on active duty elsewhere. The majority of military retirees continue to work in civilian occupations after leaving the armed forces. Considering that Vermont is currently facing a significant population and workforce shortage, it is doubly unfortunate that our state is not doing what it can to incentivize our military community to remain here.

With major military installations existing around the Northeast, Vermont has an opportunity to attract a diverse community of military retirees who would move here to live and work in our local communities. These veterans would bring with them desperately needed professional skills, like the emergency services backgrounds Vermont's leaders have identified as lacking in our rural towns. Additionally, the relatively low revenue gained by this tax would almost certainly be offset by the influx of military retirees who would pay other state taxes, while contributing to Vermont as valuable community members.

Please consider the overwhelming benefit of retaining and attracting military retirees to Vermont - Support H.435! Several Veterans including myself would like to offer testimony to H.435 passage, thank you.

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Linda A. Fowler  
Barre, VT

I'm contacting you to respectfully ask that you support H.435, An Act Relating to the Exemption of Military Retirement Pay from State Income Taxation. Vermont continues to distinguish itself as having one of the highest rates of per capita military service. Unfortunately, Vermont is also notable for being one of only eight states that fully taxes military retirement pay.

Due to this tax, many of those I served with immediately left Vermont after meeting their military retirement requirements, or they did not return after having served on active duty elsewhere. I myself, will relocate upon retirement from my current civilian job as the cost of living for a single home owner is to expensive in this state.

The majority of military retirees continue to work in civilian occupations after leaving the armed forces. Considering that Vermont is currently facing a significant population and workforce shortage, it is doubly unfortunate that our state is not doing what it can to "incentivize" our military community to remain here. With major military installations existing around the Northeast, Vermont has an opportunity to attract a diverse community of military retirees who would move here to live and work in our local communities. These veterans would bring with them desperately needed professional skills, like the emergency services backgrounds Vermont's leaders have identified as lacking in our rural towns. Additionally, the relatively low revenue gained by this tax would almost certainly be offset by the influx of military retirees who would pay other state taxes, while contributing to Vermont as valuable community members.

Please consider the overwhelming benefit of retaining and attracting military retirees to Vermont  
- Support H.435!

Respectfully,  
Linda Fowler

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Benjahmin Brissett  
Williston, VT

Governor Scott,  
Hello. My name is MSG (Ret) Benjahmin John Brissett and I am at Williston resident. I grew up in Williston and joined the Army in 1999 and after 20 years of faithful service I have returned to Williston.

There are many issues facing the state of Vermont as it tries to pull in new people and expand the workforce. One of my concerns as a military veteran is that Vermont is one of ten states that are still taxing military retirement.

I know as our Governor you are working hard on trying to have people under 27 be tax free to entice them to stay or move to Vermont. I believe there's another group of individuals who we are overlooking, transitioning veterans from the military service. Looking to start their second career after the military they would be excellent workers for the next 20 or 30 years who are highly skilled and ready to work. They would also bring their families here for a new generation of Vermonters. I believe you should look in to having military retirement in the state of Vermont to also be tax-free.

The great thing about Vermont is that it really supports its veterans. Having Vermont not tax veterans hard earned retirement after selflessly serving their country for more than 20 years will be enticing to bring in more veterans to our great state and like I said bring in people who are ready to work, bringing their family here and contributing to our great state. I definitely think it is something that our state government should look into.

Thank you for taking the time to read this email.  
V/R,  
Benjahmin Brissett (MSG Ret.)  
Williston, VT 05495

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Barbara Leary  
Hinesburg, VT

When will the bill S 129 tax exempt for military retirement pay.  
I realize that the bill in question is not on the top priority list however it is important to military members and to keep them here in VT

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Michael E. Jacobs  
Orange, VT

Sir,

I am a Life Time Vermonter. I served in the US Air Force and the Vermont Air Guard for over 22 years and retired in 2017. I have attempted to contact my State Rep without success. My main question is if there is any desire from your administration to make Military retirement pay, exempt from Vermont income tax. Thank you.

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Matthew Smith  
Montpelier, VT

Dear Governor Scott,

I am an active duty Air Force officer stationed at Norwich University as the Commander of the AFROTC detachment and also the Dean, College of National Services. My family and I love it here in Vermont and would like to stay after my retirement from the Air Force in Summer 2021; however, financially it doesn't make sense because my military pension will be taxed.

Sir, I do not understand how this great state can have such a proud military heritage and one that has amazing current capabilities such as the F-35, yet, they tax the military retiree. After serving 29 years in our Air Force I really want to choose Vermont, specifically Montpelier, as our forever home. I'm just not sure I can afford to live here.

Thank you for looking into this and I am certain that I can not be the only military veteran who wants to call Vermont home.

Sincerely,

Matt Smith, Colonel, US Air Force

p.s. you are doing one heck of a job managing and leading the Covid situation here in VT.

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Ali Jalili  
Burlington, VT

Dear Governor Scott, I am a retiring Foreign Service Officer with the US State Department and moving to Vermont. We chose Burlington and Vermont for a variety of reasons, despite having no previous ties to the state. I am a huge booster of the state. My friends, Foreign Service and other, are sick of me singing VT's praises.

I am writing in support of your proposal to exempt military pensions from state income tax. Indeed, I would even suggest that you expand it to include lower taxes on other pensions. I know you are trying to attract young people to the state but Foreign Service retirees are often still of working age (we can retire at 50, my age). In trying to convince my Foreign Service friends to move to Vermont with us, the first question I get is often is how is Vermont on taxes? I answer honestly, it's high tax with great services. This is a group of high earning individuals and families who would otherwise naturally be drawn to many of Vermont attributes. They would be engaged in the economy and the community.

Our professional association/union, the American Foreign Service Association, puts out an annual guide to state taxes on pensions. See the attached link starting on page 83.

<https://www.afsa.org/sites/default/files/2019afsaTaxGuide.pdf>

Good luck on your efforts. I look forward to contributing to my new state and community.

Best – Ali

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Monique Crete  
Essex Junction, VT

Hello Governor Scott,  
Will you be planning to introduce a bill to eliminate taxes on Social Security and VA benefits this year? I believe you mentioned that you would do that when you were running in 2020. Please let me know.

Thank you for all of the good work you have done throughout the pandemic, keeping our state safe.  
Monique

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Robert H. Tower  
Richford, VT

Dear Governor Scott,  
Wow, here we go again! Hopefully, this legislative session will see the needs of our veterans and pass this bill. I am hopeful that you all will support this as it is desperately needed and long overdue. Below is a revised letter from my attempts to persuade State Representatives and Senators to support and pass similar legislation last year. I am told that the Senate has already read a Bill, S.12, a similar bill is heading to the House, H.71. Please, make these bills a priority for passage this session. The year 2020 and COVID-19 pandemic have created hardships for many Vermonters. Retired Vermont Veterans have also been affect and are struggling to make monthly payments. Passage of this Bill will assist them in making payments.

Dear Honorable Vermont Representatives and Senators:

I am contacting you to respectfully ask that you support S.21, An Act Relating to the Exemption of Military Retirement Pay from State Income Taxation. I am a retired veteran with over 25 years of service and have made Vermont my home since 1971. I served in Vietnam with the United States Marines in Quang Tri Province and completed my military service with the Vermont Army National Guard, I believe it is time that retired Veterans be granted this exception.

Vermont continues to distinguish itself as having one of the highest rates of per capita military service. Unfortunately, Vermont is also notable for being one of only eight states that fully taxes military retirement pay. Due to this tax, many of those I served with immediately left Vermont after meeting their military retirement requirements, or they did not return after having served on active duty elsewhere. The majority of military retirees continue to work in civilian occupations after leaving the armed forces. Considering that Vermont is currently facing a significant population and workforce shortage, it is doubly unfortunate that our state is not doing what it can to incentivize our military community to remain here.

With major military installations existing around the Northeast, Vermont has an opportunity to attract a diverse community of military retirees who would move here to live and work in our local communities. These veterans would bring with them desperately needed professional

skills, like the emergency services backgrounds Vermont's leaders have identified as lacking in our rural towns. Additionally, the relatively low revenue gained by this tax would almost certainly be offset by the influx of military retirees who would pay other state taxes, while contributing to Vermont as valuable community members.

Please consider the overwhelming benefit of retaining and attracting military retirees to Vermont - Support S.12!

Respectfully,  
COL ROBERT H Tower, Retired  
Richford, VT

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Michelle Wells  
Alexandria, VA

Hello, Governor Scott,  
My husband is currently active-duty Navy serving at the Navy Yard in DC. Next month will be his 24th year in service and we are currently exploring retirement as early as Fall of '22. We have narrowed down our retirement considerations to a few states, one of which is Vermont.

We are looking for a place to live out the rest of our lives. Scott just turned 50 and I am 46, so we still have many more years of work / service left in us. We plan to contribute to our new community in both economic and humanitarian ways.

I was doing research on Vermont and one of the things I found that disappointed me is that you do not offer a tax break for military pension. While that won't be THE final determining factor in our decision, it definitely weighs into it. I saw that you are in favor of the bill, so I wanted to reach out and see if there is any update on the progress as well as what you think the future might hold for the possibility of getting it passed.

We would like to encourage Vermont to pass this bill because it not only provides relief to us as a military family who dedicated many of our years to serving, it also gives us extra incentive to move to your state and make it our new home.

Thank you for your time and support,  
Michelle Wells

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Michael E. Jacobs  
Orange, VT

Dear Gov Scott.  
As you start a new term as our Governor. I would like to know if the Military retirement pension tax bill will be moved forward for consideration. This bill is very important bill for me and many other Veterans across Vermont. Thank you,  
Michael E. Jacobs, MSgt, ret.

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Brian Gebo  
Vergennes, VT

Good evening Governor Scott,  
Having just listened to your address and hearing your words, "More taxpayers, less taxes..." leaves me reminded of when I first moved back to Vermont after 25.5 years of military service. One of the first times I heard you speak, you spoke about exempting military retired pay from state income tax. I believed at the time that you supported the idea, but have become disappointed over the last three years while seeing no action toward that goal.

I was born in Vermont and knew as soon as I joined the Navy and moved away that I would bring my future family back here. There are retiring military servicemembers out there, making decisions everyday on where to retire, start second careers and raise their young families. With New England options available that are more tax friendly, they are choosing to retire elsewhere.

Please consider the retired pay exemption seriously. Bring retired servicemembers to the state and let them start second careers for another 20 years! Let them bring their young families to Vermont to curb the aging demographic!

Very respectfully,  
Brian A. Gebo  
CAPT USN(ret)

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Michele R. Cioffi  
Essex Junction, VT

My husband retired from the Vermont Air National Guard 6 years ago at 54 after serving in the VTANG for 30 years. We have grandchildren in the state so I've been able to keep us here so far..but now that my company has gone totally remote and I can work from anywhere - I am going to have to step up my game to stay here. He and all the his Guard friends are all planning on leaving the State we all love because of the income tax on military pensions. Most are retiring in the next couple of years. Many are talking about moving across the lake in Plattsburgh because NY doesn't tax the military pensions and it's close enough to Vermont that they can still visit family. I have no desire to live in Plattsburgh or any other state - but it's a hard battle to fight because of this income tax issue. I think it's an especially hard pill to swallow because we have an Air and Army presence in the state and people serve here but don't want to get taxed so they feel they have to leave. I'm hopeful that it's something that will pass so that people who have lived here their whole lives don't feel they have to leave.

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Stephanie Enriquez  
Essex Junction, VT

There are nine states that tax military pension and I happen to land in one. Until November of 2020 I had been a resident of Michigan where I was born and raised. I remained a resident the entire 25 years I served in the military. After retirement I took a position with the department of agriculture here in VT at the UVM campus.

Taxes aren't something I had given much thought to before taking a job in VT, but after seeing the difference it made, I'm having a difficult time not thinking about it. I can understand working here and being taxed on that income. I can understand buying a house here and paying property taxes. I'll purchase goods and services and pay sales tax. What I'm having difficulty understanding is a state taxing money I earned while serving, all while having no ties to the state of VT.

If I had went home to Michigan my pension would not be taxed and due to my disability rating I'm exempt from any property taxes. I want to stay in VT. I love it here. But it seems financially irresponsible. I'll pay the record high income tax, I'll pay the sales tax, I'd buy a home and pay the property tax (with a break (thank you)) but why tax my pension?

I read somewhere that you were fighting to change this. I hope that is true. If you ever need any support in doing so, please let me know. I think you're losing out on veterans coming back home or making this there home after service.

Thanks for your time,  
Stephanie Enriquez  
PSC(AW/SW/EXW), USN, RET.

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JoAnn Davis Marshall  
Bethel, VT 05032

Dear Governor Scott,  
I am asking for your help in getting our Retired Military Men and Women in the State of Vermont an Exemption for their military veteran's pay. Currently our state is one of three states that Fully Tax Military Retirement Pay. The following states have no specific state income tax exemption for military retirement pay:

- California
- Vermont
- Virginia

Nine states do not have a personal income tax, twenty-two states have a personal income tax, but do not tax retirement pay and sixteen states tax a portion and the three states above fully tax military retirement pay. This is one reason we are seeing these retired men and women moving out of our state.

H.71 - An act relating to exempting U.S. military retirement pay from income tax is a bill in the House and Ways and Means committee.

S.12 - An act relating to exempting U.S. military retirement pay from Vermont income tax is a bill in the Senate Committee on Finance.

Please help our retired service members stay in Vermont! A lot of these military retirees are leaving this state to move to a nearby state to make it affordable for them to live an affordable retirement. I would like to know when the State of Vermont is looking at moving these bills forward.

Thank you for your time, I look forward to hearing from you.  
JoAnn Marshall  
US Army Veteran

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Marylynn Scherlin  
Vernon, VT

Sir, in today's Brattleboro Reformer I read with most favorable interest the commentary regarding ending tax on military retirement pay. Although the article was titled "It's time to end the tax on military entitlement pay". I very much object to the word entitlement. I spent 29 years in the United State Air Force and earned every dollar of my retirement pay. I continued to own a home in Vermont while I served 20+ years on Active Duty, thereby supporting my town, schools and infrastructure. When I retired, returned to Vermont and applied for jobs only to hear things like "you only have military experience" or "military schools aren't recognized in Vermont." I was most thrilled when I was recalled to serve. We are so willing and eager to spend money on other persons and programs but Veterans who are serving and have served, who spend time away from their families without complaint and will tell you that they would do it all again are deserving of our State's gratitude, appreciation and acknowledgement.

Thank you for your time  
V/r  
Marylynn Scherlin, MSgt (Ret) USAF

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John Franke  
St Albans, VT

I remember the before the pandemic, you mentioned something about having military retirement non taxable. At this time, Vermont is one of two states plus Washington DC that tax military retirement fully. There are some states that partially tax military retirement and 22 state that do not tax it at all. I was wondering if this is still on your agenda.

Thank you for your time.  
John Franke, USAF retired

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Cresswell Codling  
Columbus, GA

Governor Scott, I am writing you this letter, because I noticed on your race car you have "Thank a Vet" displayed. I was born and raised in Vermont and have thought about going back to Vermont after my service is complete. As a member of the armed forces, and someone who is getting ready to retire from the Army, our state does not give to many incentives to return. There are numerous states that don't tax military retirement, such as New Hampshire, Massachusetts or Maine; that attract more military retirees than Vermont does. I believe if our state offered more incentives such as tax free retirement pay, not including VA disability pay in personal income to be taxed, along with more educational benefits, such as state grants for our children, then Vermont would start to see in increase of military retirees settling down on our amazing state. People that retire from the military usually bring experience, leadership, critical thinking and problem solving skills with them. I am not trying to seem petty or trash talk our state. I would just like to see if there is more Vermont can offer to a group of people that are willing to sacrifice

everything for the greater good. I for one would like to settle down in Vermont, but there are other states that offer more incentives for us.

<https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits/Vermont>. the link I have provided tells you what benefits Vermont offers veterans and retirees. You can also look at other states and see how Vermont compares to them.

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Tammy Hitchcock  
Pittsford, VT

Looking into process to end Vermont's taxing of Veterans pensions

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Robert Devost  
Jericho, VT

Dear Governor Scott,  
The next time you address the Legislature and make up YOUR legislative agenda, please make a high priority to **REDUCE OR ELIMINATE STATE INCOME TAX ON RETIREMENT INCOME**, including SSI and Pensions, including Military Pensions!

If one looks at a Fixed Income in Retirement and how much more of ones limited income is applied to **STATE INCOME** and **LOCAL PROPERTY TAXES** after Retirement, it makes the tax burden even heavier!

The current reduction in Military Pensions being taxed only really applied to those Veterans that live well below the Poverty Line and is almost insulting!

Also that **TAX CODES** need to take in to account the first 1-2 years transitioning into Retirement to avoid tax penalties and consider removing the "pay in advance Quarterly taxes" while ones income is adjusting lower, especially when a couple is adjusting when one or both transition at different times in to Retirement.

On Educational Taxes: If you have school aged children, you step and pay more vs. Seniors paying over time multi generations of taxes. Seniors would simply pay but pay less.

Thank you for taking the time to read this.

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Lara Thomlinson  
Sand Diego, CA

Greetings Governor Scott and Vermont! I'm currently serving Active Duty in the US Coast Guard, and plan to retire in New England 2022. My sight is set on moving to Vermont; however, New Hampshire doesn't tax my military pension so I may have to settle there. I hope the Vermont bipartisan bill to eliminate taxing veterans happens this year so I have the opportunity to move my family to your great state. Take care!

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Robert Arnell  
Hardwick, VT

I just finished reading the Budget address and have been following your progress for a number of years. Phil, you converted my family to Independent voters that frequently vote for Vermont Republican candidates. You are absolutely on the right track providing free tuition for the National Guard, and no tax of military retirements. Granted this assist me as a 32 year veteran but like you, I carried a few 5 gallon cans of heating oil to my furnace during the lean times.

Most importantly (I am not thinking of myself) granted I would enjoy the tax free military pension, however, for the 1% that serve this country and the few who receive retirement checks both the military pension and social security (which I will not qualify due to AGI) this is real step in adjustment of income inequality for those that need it most. I commend you on helping those that could use the lift. Particularly on Social Security.

Hold the line on Progressives; their ideology is not one that actually assist those that want to get ahead. Keep charging and draw the line on taxation and increases. We must become affordable and the National Teachers Union is out of sync. Business innovators, and opportunities are what actually provides the stimulus. As a small state, we can improve, aany want to live in a clean environment that is affordable.

Great Job, Governor!  
COL Bob Arnell (U.S. Army RET)

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