

Chris O'Brien

From: Eric Dukat <eric_dukat@hotmail.com>
Sent: Thursday, February 10, 2022 1:02 PM
To: House Finance Committee
Subject: FY 2023 Budget, H7123, Article 6, Taxation: In Favor of Phasing Out Taxation of Military Service Pensions

NAME: Eric A Dukat, 63 Inkberry Trail, Narragansett, RI 02882

ISSUE: Article 6, Taxation of the Governor's FY 2023 Budget, H7123

POSITION: FOR the Governor's Proposal to Phase Out Taxation of Military Service Pensions

Distinguished Members of the House Finance Committee,

I wish to express my support for the provision in Article 6 recommending phasing out the taxation of military service pensions for state tax purposes over a five-year period.

As an addition to testimony about the Federally-sourced sales and property tax revenue benefits of a higher resident Veteran family population, I wish to address the benefit to business and employers in the State.

Technical Skills, Experience and Work Ethic

Veterans have a high likelihood of technical education and training coupled with an outcome based work ethic that is attractive to the kinds of businesses Rhode Island desires. Additionally, the Federally funded Veteran education and training programs (both G.I. Bills, VEAP and others) allow transitioning military members to pursue the skills and certifications desired by the same employers. This creates a tailor-made environment to attract those businesses.

Federal Tax Credits to Employ Vets

Large corporations, especially those who do business with the Federal government, seek out Veterans for employment. In addition to a high quality employee, companies that employ Veterans receive a variety of Federal tax credits, including the Work Opportunity Tax Credit (WOTC) making a higher Veteran population additionally attractive to being in Rhode Island.

Stable Increased Service Sector Demand

With Federally funded property loans, medical care and education programs for Veterans and their family members comes increased use of and revenue for the broader Service Sector of our economy. In addition to higher property and sales tax revenues for their residing in Rhode Island is higher demand for job creating Service Sector businesses with a more stable source of revenue. Throughout economic downturns of the past, Federal funding for Veterans and families has not wavered or decreased while other revenue sources have.

I sincerely thank the Committee for the opportunity to testify and offer myself in any capacity I can to assist research and deliberations necessary to make this proposal into law.

Sincerely,
Eric Dukat, CDR, US Navy, Retired

Assoc Prof, US Naval War College
National Council Rep, RI VFW
Husband, Father, and Veteran
401-787-4551