



STATE OF RHODE ISLAND  
**OFFICE OF GOVERNOR DANIEL J. MCKEE**

February 8, 2022

The Honorable Marvin L. Abney  
Chairman, House Committee on Finance  
Room 35, Rhode Island State House  
Providence, RI 02903

**RE: House Bill – 7123 Article 6 – An Act Relating to Taxation – Personal Income Tax**


Dear Chairman Abney:

Thank you for hearing House Bill 7123 Article 6, An Act Relating to Taxation – Personal Income Tax that will provide tax relief to members of the military who receive military serve pensions. This bill would phase out the taxation over a five-year period of military service pensions for state tax purposes. I offered this legislation as a part of my budget to bring Rhode Island in line with the vast majority of states that do not tax military pensions, including our neighboring states – Massachusetts and Connecticut.

This budget article will provide much needed and deserved tax relief for residents receiving military service pensions and thereby increase their net income. More military retirees will bring or keep their skills, knowledge, and spending power in Rhode Island as a result of this tax exemption instead of relocating to another tax-exempt state.

As Governor, I recognize the sacrifices that our Veterans and members of the military make to protect our nation and this tax relief proposal is one way to honor their bravery and courage. I strongly urge the Committee to pass House Bill 7123 - Article 6.

Sincerely,

  
Daniel J. McKee  
Governor

CC: The Honorable Members of the House Committee on Finance  
Nicole McCarty, Esquire, Legal Counsel to the Speaker