

On June 6, Representative Michael Speciale arranged a meeting between Senator Norman Sanderson, Iggi Husar and ET Mitchell at his office in Raleigh. As representatives of the MOAA Coastal Carolina Chapter, we advocated specifically for:

- Military Retiree State Income Tax Relief (SB153 and HB103)
- Funding for the NC Department of Military and Veterans Affairs
- Veterans/Health Care/Youth Suicide Prevention Programs (HB894)
- Certain Property Tax Relief to Veterans (HB2)
- Veteran Post-traumatic Stress/Mitigating Factors (HB483)
- Increasing the raffle amounts and amounts that can be raised by NC non-profits

Both Legislators appreciated the significance between the different wording in the Senate and House bills pertaining to military retiree income tax relief. Because the Senate bill (SB153) only applies to military retirees, it has the potential to be challenged in court should it be passed. We advocated for the language in the House Bill (HB103) which applies to all current and future military, Federal, State and government retirees and is therefore a less likely candidate for a court battle. Passage of HB103 would make North Carolina a truly veteran-friendly State and increase its competitiveness with other States trying to woo military - and Federal -retirees to relocate.

Both Representative Speciale and Senator Sanderson noted that the General Assembly was very concerned about the significant impact of HB103's impact on State tax revenues. Two suggestions were made to address that concern:

1) That the Legislature engage a nationally-recognized accounting firm to crunch the actual numbers to determine the short-term impact – and the projected positive longer term impact when more military/veteran friendly tax policies resulted in more retirees moving to North Carolina. Knowing when positive tax revenues to the State Treasury can be projected to begin would allow Legislatures to make decisions on the tax equity issue that are based on actuarial tables. FYI, subsequent research determined that the NC Legislative Research Office is the right entity to levy the contracts to obtain that data.

2) That the Legislature consider exempting portions of military retirement pay from NC taxation, with the forethought that that exemption can be increased over time. Such an exemption is less likely to be challenged in court and would show intent to bridge the gap between NC and other States with more military-friendly tax policies.

At the end of the meeting, all four of us agreed that future brainstorming sessions in the District Offices of Representative Speciale and Senator Sanderson would be very useful to develop strategies to help pass such important legislative. Representative Speciale specifically commented that he welcomes concrete information on local Service/Veterans' issues, as well as recommendations on legislation that would address those problems.