

DIFFERENT WAYS INDIVIDUAL STATES TAX MILITARY AND MILITARY RETIREMENT PAY

MARCH 2010

The following is a breakdown, state by state, of how resident military and military retirement pay is taxed.

<u>Military Pay</u>		<u>Retirement Pay</u>
	<u>Alabama</u>	
Subject to tax		Excluded
	<u>Alaska</u>	
No personal income tax		No personal income tax
	<u>Arizona</u>	
Does not tax active military pay		Subject to tax- may subtract up to \$2500 from income
	<u>Arkansas</u>	
1 st \$9000 exempt		1 st \$6000 exempt
	<u>California</u>	
Pay for soldiers living outside CA is treated as non resident income		Taxable if received by CA resident
	<u>Colorado</u>	
Soldiers stationed outside of USA for 305 days may be considered Non-resident		Subject to tax. Over 65, up to \$24,000 excluded. Over 55, up to \$20,000 may be excluded
	<u>Connecticut</u>	
Subject to tax, although there are special non-residency tests		Subject to tax
	<u>Delaware</u>	
Subject to tax		Over 60, up to \$12,500 excluded. Under 60, \$2000 may be excluded
	<u>District of Colombia</u>	
Subject to tax		Subject to tax

Military Pay

Retirement Pay

No personal income tax	<u>Florida</u>	No personal income tax
Subject to tax	<u>Georgia</u>	Subject to tax. Over 62, may exclude up to \$30,000
Subject to tax	<u>Hawai'i</u>	Subject to tax
Military pay not taxed if resident on AD is outside the state for 120 or more consecutive days	<u>Idaho</u>	Subject to tax. Over 65, may deduct a portion
Active duty pay is not taxed	<u>Illinois</u>	Military retiree pay is deductible
1 st \$2000 exempt	<u>Indiana</u>	Subject to tax. Over 60, may deduct up to \$5000
Pay earned while on AD in OIF, ONG, and OEF is exempt	<u>Iowa</u>	Subject to tax. \$6,000 or \$12,000 can be excluded based on filing status
Subject to tax	<u>Kansas</u>	Excluded
Subject to tax	<u>Kentucky</u>	Subject to tax. All or a portion may be excluded depending on retirement date
Subject to tax. Up to \$30,000 excluded if on AD outside the state for 120 or more consecutive days	<u>Louisiana</u>	Excluded
Subject to tax	<u>Maine</u>	Subject to tax. First \$6,000 may be deductible

Military Pay

Retirement Pay

Maryland

For overseas Soldiers, first \$15,000 of income is exempt then a sliding scale reduces that dollar for dollar until \$30,000 where there is no exemption

Former enlisted members over 55 may exclude \$5,000 if AGI is less than \$22,500 Over 65, may exclude up to \$24,500

Massachusetts

Subject to tax

Excluded

Michigan

Active duty pay not taxed

Excluded

Minnesota

Active duty outside MN is not taxed.

Subject to tax

Mississippi

Subject to tax

Excluded

Missouri

Military pay excluded if stationed outside MO

Subject to tax. May exclude up to \$6,000 on a sliding scale

Montana

Active duty pay not taxed

Subject to tax. May exclude up to \$3,600

Nebraska

Subject to tax

Subject to tax

Nevada

No personal income tax

No personal income tax

New Hampshire

No personal income tax

No personal income tax

New Jersey

Subject to tax

Excluded

New Mexico

Exempt

Subject to tax

Military Pay

Retirement Pay

Active duty pay not taxed if you meet certain criteria	<u>New York</u>	Excluded
Subject to tax	<u>North Carolina</u>	Generally excluded
Subject to tax. Some special exemptions	<u>North Dakota</u>	Subject to tax
Military pay excluded if stationed outside Ohio	<u>Ohio</u>	Excluded
1 st \$1500 excluded	<u>Oklahoma</u>	Greater of 75% or \$10,000 excluded from income
Exempt for residents stationed outside OR	<u>Oregon</u>	Possible tax depending on dates of service. Times served prior to Oct 1, 1991 are not taxed
Active duty pay not taxed if outside the Commonwealth	<u>Pennsylvania</u>	Excluded
Subject to tax	<u>Rhode Island</u>	Subject to tax
Subject to tax	<u>South Carolina</u>	Subject to tax. Over 65, may deduct up to \$10,000. Under 65, may deduct \$3,000
No personal income tax	<u>South Dakota</u>	No personal income tax
Exempt	<u>Tennessee</u>	Excluded

Military Pay

Retirement Pay

No personal income tax	<u>Texas</u>	No personal income tax
Subject to tax	<u>Utah</u>	Subject to tax. Over 65, up to \$7,500 excluded. Under 65, up to \$4,800 excluded
Active duty pay earned outside VT is exempt	<u>Vermont</u>	Subject to tax
Subject to tax, but up to \$1500 may be excluded on a sliding scale	<u>Virginia</u>	Subject to tax
No personal income tax	<u>Washington</u>	No personal income tax
Active duty pay earned outside VT is exempt	<u>West Virginia</u>	Retiree pay capped at certain levels
Subject to tax, however a \$300 credit is applied for active duty members stationed outside USA	<u>Wisconsin</u>	Excluded
No personal income tax	<u>Wyoming</u>	No personal income tax