



VOTE YES ON HB18-1060

Enhance Colorado's Economy and Workforce Honor Military Service

Sponsors: Rep. J. Danielson | Rep. L. Landgraf | Sen. L. Crowder

HB18-1060 provides for a state income tax exclusion of up to \$20,000 in military retirement pay for military retirees up to age 55.

Reasons to Support HB18-1060:

Economic Growth: *Colorado's economy, tax base, and local governments benefit when newly retired military and their families choose Colorado as their home.*

- Over 500 percent military retiree return on investment (ROI) for Colorado.
- Colorado is in competition with 27 states that either do not have state income tax or exempt 100% of military retirement pay from state income tax;
- Colorado is losing military retirees and taxes to other states by not having this exemption.
- Colorado population of military retirees younger than 55 dropped by 660 since 2015! Estimated annual tax loss over \$4 million! (Second career/investment income tax, property tax, sales tax, auto tax, fees)
- Currently, a state income tax exemption exists on retirement pay for taxpayers (military and civilian) 55 and older; we are singling out young military retirees by not allowing them the same exemption.
- Military members are eligible for retirement after 20 years of service. Average age of military personnel retiring from active duty is 42.7 years. When they retire, younger retirees start second careers and make a conscious choice of what state to call home – and state taxes play a big role.

Workforce Development: *Colorado employers need and value retired military skills.*

- Military retirees have the skills Colorado employers need and want. Military retirees are highly educated, technically and globally savvy, and seek to turn their military expertise into civilian careers.
- Military technical/professional expertise covers a wide spectrum of high value professions, including but not limited to: IT; data analysis; finance/accounting; supply chain management/logistics; medical/dental; energy technology; social work; legal services; vehicle/aircraft maintenance; law enforcement; HR; construction; education/training; public administration; strategic planning.
- Retired military skills valued by employers: leadership; communication; management; team building; planning; flexibility; integrity; problem solving; time management.

Honoring Military Service: *Colorado values contributions of retired military and families.*

- Retired pay exemption is tangible evidence of Colorado's goal to honor military service and sacrifice.
- 65% of retired military currently living in Colorado are from the enlisted ranks. High cost of Colorado housing is a deterrent, mitigated by the proposed retired military pay tax exemption.
- Retired military families have their own DoD health insurance (TRICARE) that is ACA compliant.
- Military retired pay is "received" in Colorado but "earned" in service throughout the U.S. and world.

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