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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

COMMITTEE ON EDUCATION AND LABOR

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December 19, 2022

The Honorable Gavin Newsom Governor State of California 1303 10th Street, Suite 1173 Sacramento, California 95814

Dear Governor Newsom,

We write with serious concerns regarding the State of California's continued taxation on our veterans. Unfortunately, California is the only state in our Nation to tax both military retirement pay and Survivor Benefit Plan payments. This senseless taxation on our veterans and their dependents makes it even more unreasonable to live in our unaffordable State. It is also one of the reasons why many military retirees have decided to leave our heavily taxed state and move to states like Florida and Texas – which exempt military retiree pay from their taxes. Our men and women in uniform deserve the best that our state can offer. We urge you to immediately work with the California State Legislature and exempt military retiree pay from taxation for the over 144,000 military retirees living in California.¹

California military retirees do so much for our local communities and their impacts stretch from economic to civic and philanthropic roles. Our uniformed service retirees are highly skilled, often in areas focusing on computer science, engineering, management, and technical expertise. With many employers having difficulty finding qualified employees in California, our State can do more to reduce burdensome taxation while also promoting and retaining a skilled workforce – especially for those who have served our country and have had to make brave sacrifices to defend our freedom. It is also important to note that many military retirees play integral roles in our schools, our local hospitals, and our local law enforcement agencies.

As Governor of California, you play a pivotal role on this important matter. Ending the military pension taxation will yield significant benefits for our entire state. It will slow the trend of military retirees leaving California and will also increase the number of military retirees choosing to live in our state. We call on you to provide immediate tax relief for our warfighters and their dependents.

Sincerely,

Michelle Steel

Member of Congress

Mike Garcia

Member of Congress

¹ U.S. Department of Defense Office of the Actuary, https://media.defense.gov/2022/Feb/17/2002941205/-1/-1/0/CONGDIST%202021%20V999.PDF

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