

## **OK Tax Law Exempts 100% of Non-Retirement Military Pay**

Oklahoma Senate Bill 881 exempting military pay from state income tax, starting 1 July 2010 and ending before 1 January 2015, was signed into law by Governor Brad Henry on 2 June 2009—as reported by Majority Whip Senator Anthony Sykes from District 24.

As stated on Page 22 of the law, “...100% of the income received by any person from the United States...as salary or compensation in any form, other than retirement benefits, as a member

of any component of the Armed Forces...shall be deducted from taxable income.

“For the taxable year beginning 1 January 2015 and every year thereafter, if the State Board of Equalization [determines that] revenue collections exceed revenue reductions, the 100% deduction...may be claimed.”

Prior to 1 July, only the first \$1,500 of non-retirement pay of Oklahomans serving in the US military, all components, was exempt from state taxes.