



COMMONWEALTH OF VIRGINIA  
JOINT LEADERSHIP COUNCIL OF  
VETERANS SERVICE ORGANIZATIONS

900 EAST MAIN STREET  
RICHMOND, VA 23219

*Air Force Association*  
*American Legion*  
*AMVETS*  
*Association of the United States Army*  
*Disabled American Veterans*  
*Fleet Reserve Association*  
*Korean War Veterans Association*  
*Legion of Valor of the U.S., Inc.*  
*Marine Corps League*  
*Military Order of the Purple Heart*  
*Military Officers Association of America*  
*Military Order of the World Wars*  
*National Association for Uniformed Services*  
*Navy Seabee Veterans of America*  
*Non-Commissioned Officers Association*  
*Paralyzed Veterans of America*  
*Reserve Officers Association*  
*Roanoke Valley Veterans Council*  
*Veterans of Foreign Wars*  
*Vietnam Veterans of America*  
*Virginia Army/Air National Guard Enlisted Association*  
*Virginia National Guard Association*  
*Women Marines Association*

December 18, 2015

JLC Contact  
Robert Huffman  
804-586-8874  
rhuffman22@gmail.com

**Position Paper 2016-07**

**Increase State Tax Subtraction for National Guard to \$5,000**

1. **OBJECTIVE:** Increase the state tax subtraction for members of the Virginia National Guard from \$3,000 to \$5,000 per year.
2. **BACKGROUND:**
  - a. The Code of Virginia, §58.1-322(C)(11) provides for a subtraction of *“The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar days of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3 and below shall be entitled to the deductions specified herein.”*
  - b. The subtraction level has remained at \$3,000 since at least 1994.
3. **DISCUSSION:**
  - a. Soldiers and Airmen of the Virginia National Guard endure higher level of stressors in their service to the Commonwealth than do many citizens.
  - b. Economic factors place additional stressors on Guardsmen and their families.
  - c. Virginia Guardsmen work many hours in the performance of their Guard duties, making sacrifices of time, money, and family togetherness.
  - d. To have the same buying power as \$3,000 did in 1994, the tax subtraction would have to be \$4,830.73 in 2015 (source: Bureau of Labor Statistics – [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)).
  - e. Increasing the state income tax subtraction from \$3,000 to \$5,000 would help balance and compensate for financial shortfalls incurred through Guard service and the necessity to balance their civilian jobs, family life, and service as a citizen-soldier.
4. **RECOMMENDATION:** That the Governor and General Assembly increase the state income tax subtraction level for members of the Virginia National Guard from \$3,000 to \$5,000 per year.