



NEWS RELEASE
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Governor Signs HB 3201!

Oregon War Veterans Association today applauded Governor Kulongoski's signing of [Oregon House Bill 3201](#), an omnibus tax bill that includes multiple provisions to benefit veterans and their families. The bill is the result of a session-long effort by Oregon War Veterans Association and the Oregon Legislature to provide important benefits to military members, veterans, and their families.

"This success marks the achievement of our number one objective this session," said Greg Warnock, the Executive Director of Oregon War Veterans Association. "One of the most critical needs for our veterans and their families is access to health care. Those living in rural communities often have no local healthcare providers who will work with TRICARE. These new incentives will help encourage more healthcare providers, especially in rural areas, to serve our veterans."

House Bill 3201 directs the Office of Rural Health to establish a program to provide tax incentives for healthcare providers to enter the TRICARE system by providing a one-time tax credit of \$2,500 for participation and an additional annual credit of \$1,000 for treating TRICARE patients. The legislation also gives healthcare providers tax free income in Oregon from their first 24 months of TRICARE revenues.

House Bill 3201 contains another important provision for veterans and their families: it raises the current deduction for military pay from \$3,000 to \$6,000, adjusting an index that has remained unchanged, despite inflation, for over 30 years. "This is the kind of economic reform that helps our military members and their families where they need it most," Warnock said. "For many of our part-time citizen-soldiers, this revision will make nearly all income earned for service in the National Guard free from taxation in Oregon."

The bill also gives a \$6,000.00 tax benefit to the employees of the Oregon Youth Challenge Program, an alternative school for at-risk youth run through the Oregon Military Department, to the list of those eligible for this deduction. This new tax incentive benefits not only military members, but also the children participating in the program.

The Deputy Director of the Oregon Military Department, Brigadier General Mike Caldwell, noted that "eighty-two percent of graduates of the Oregon Youth Challenge Program are still successful five years after graduating from the program." He went on to proclaim "Oregon War Veterans Associations leaders took it upon themselves to write and lobby support for the tax and health care benefits found in HB 3201. Their hard work will positively impact all of our National Guard families, and we are happy to have had their assistance."

Greg Warnock expressed his pleasure that the bill passed, but also his frustration that the separate components of the bill would not have passed individually. "Military and Veterans' issues are important enough to stand on their own," Warnock stated. "But the history behind House Bill 3201 shows that we still have a lot more work ahead of us in convincing politicians how critical our needs truly are."