**Name**
Organization/Title (if applicable)
Address

**Governor Gavin Newsom** 18 September 2023
**1021 O Street, Suite 9000**
**Sacramento, CA 95814**

**Keep Veterans in California: Please Support AB-46 Personal income taxes: exclusion: Military Services Retirement and Surviving Spouse Benefit Payment Act**

Governor Newsom,

[Assembly Bill 46](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB46) has received overwhelming public support from members of both parties in each house of the Legislature. Not a single vote cast against it. BUT – the Franchise Tax Board raised a concern of an estimated negative income of $100 – 150 million. The FTB’s comment exposes a discrepancy that pales in comparison to the potential loss of billions of dollars. The second income pay received by military retirees flows into the economy of their chosen state.  This coupled with other factors of how Veterans bring CA monetary and community value, such as the $22.5 billion the state took into CA economy from the Veterans Administration in FY 2022.

Add that CA is home to 103 Veterans Medical Facilities, the largest number in the country, with Texas having the 2nd largest at 93.  A state's Veterans' population has a direct impact on funding allocations to keep those facilities open and operational. According to the National Center for Veterans' Analysis and Statistic's, CA’s Veteran population in FY2010 was 2.2 million.  They listed CA’s FY2020 Veteran population as 1.6 million.  Losing those Veterans resulted in millions of federal dollars no longer coming into CA’s economy.  As the patient population decreases, those medical professionals with VA Medical Facilities are transferred to other states, no longer paying income tax or bringing money into local economies.

Let’s also recognize the skilled professionals the military brings to CA. With two decades of military service under their belts, retirees emerge highly proficient & constitute an available workforce capable of filling many of the 40,000 technical vacancies & over 20,000 medical field positions. These include fields such as software engineering, cybersecurity, aerospace, AI, biochemistry, medicine & management. Let’s add the educational benefits used by military retirees, surviving spouses & children in this state which further amplify its gains.

AB46 stands as a tribute to those who dedicated their lives to serve our nation. Beyond this, it plays a vital role in aiding our state to retain & draw in retirees from the uniformed services.  Our Veterans fortify the economic strength of this state & they bolster our communities.

Every state in the nation, except California, recognizes the positive economic and community impact of keeping military retirees in their states. How can California afford to miss this?

Please support AB46 for our Veterans and for our State.

Respectfully,