



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 26, 2009

### **S. 475**

### **Military Spouses Residency Relief Act**

*As ordered reported by the Senate Committee on Veterans' Affairs  
on May 21, 2009*

#### **SUMMARY**

S. 475 would extend to military spouses several residency-related benefits afforded to servicemembers under the Servicemember Civil Relief Act (SCRA). CBO estimates that implementing the bill would not have a significant effect on the federal budget.

S. 475 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by limiting the ability of state and local governments to collect income and property taxes. CBO estimates the total cost of complying with the mandate would fall well below the annual threshold established in UMRA (\$69 million in 2009, adjusted annually for inflation). The bill contains no private-sector mandates as defined in UMRA.

Section 4 of UMRA excludes from the application of that act any legislative provisions that are necessary for enforcing the constitutional rights of individuals. CBO has determined that section 2 of this bill falls within that exclusion; we have not reviewed it for intergovernmental or private-sector mandates.

#### **BASIS OF ESTIMATE**

S. 475 would extend to military spouses certain benefits afforded servicemembers under the SCRA. Sections 2 and 3 would allow military spouses to maintain a home-of-record for purposes of voting and taxation when they are absent from their home state to join active-duty spouses at military duty stations.

Similarly, section 4 would suspend for military spouses the residency requirements for land rights under laws—such as mining and mineral leasing laws—relating to federally owned lands. Under S. 475, absence from the land due to a servicemember’s military orders would not require the military spouse to forfeit those land rights, regardless of their state of domicile, for a period ending six months after the servicemember’s discharge from active-duty service.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 475 contains an intergovernmental mandate as defined in UMRA. It would prohibit state and local governments from collecting taxes on an individual’s income or personal property, if that individual moved to the jurisdiction to accompany his or her spouse at a military-duty station. It would transfer authority to tax those individuals to the states in which they were legal residents before moving to the duty station. The effect on individual state and local revenue collections would vary depending on the number and income of these individuals and where they reside or maintain legal residence. However, CBO estimates the net effect across states to be small and well below the annual threshold established in UMRA (\$69 million in 2009, adjusted annually for inflation).

The bill contains no private-sector mandates as defined in UMRA.

Section 4 of UMRA excludes from the application of that act any legislative provisions that are necessary for enforcing the constitutional rights of individuals. CBO has determined that section 2 of this bill falls within that exclusion because it would protect individual’s voting rights; we have not reviewed it for intergovernmental or private-sector mandates.

### **ESTIMATE PREPARED BY:**

Federal Costs: Dwayne M. Wright  
Impact on State, Local, and Tribal Governments: Burke Doherty  
Impact on the Private Sector: Elizabeth Bass

### **ESTIMATE APPROVED BY:**

Theresa Gullo  
Deputy Assistant Director for Budget Analysis