

HOUSE RESEARCH

Bill Summary

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Overview

Active Guard Reserve (AGR) refers to a U.S. Army and U.S. Air Force federal military program which places Army National Guard and Army Reserve soldiers and Air National Guard and Air Force Reserve airmen on federal active duty status to provide full-time support to National Guard and Reserve organizations for the purpose of organizing, administering, recruiting, instructing, or training the Reserve Components.

Soldiers and Airmen in such status are also commonly referred to as *AGR* personnel. Although *AGR* personnel continue to be members of the Reserve Components of the United States Armed Forces, they are in a different federal status than traditional part-time Army Reserve Component or Air Reserve Component members (including full-time Army Reserve Technician and Air Reserve Technician members) called to active duty for training, special work, operational support to the Active Component, or mobilized for contingency operations. Nevertheless, *AGR* personnel receive the same benefits and entitlements as Army and Air Force Active Component military personnel.

As with most other members of the military, *AGR* personnel can be mobilized into federal active duty for contingency operations, including deployment to war zones. During such periods of deployment, however, their service in the *AGR* is temporarily suspended and, thus, they become eligible for the same tax subtraction for military income for service outside Minnesota as do other service members.

- 1** **Income tax subtraction provided to AGR soldiers and airmen.** Current Minnesota law provides an income tax subtraction for income earned by members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota. That law explicitly excludes from this benefit those National Guard and Reserve members serving in the *Active Guard and Reserve (AGR)* status. This bill would strike that exclusion, thereby extending the benefit to *AGR* personnel, as well.

Effective Date. The benefit would apply for income earned during calendar year 2011 and thereafter.