



Maryland Department of Veterans Affairs

Office of the Secretary

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January 21, 2020

Chairman Guzzone, Vice-Chair Rosapepe, Members of the Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, MD 21401

SB 211 - Income Tax - Subtraction Modification - Military Retirement Income

POSITION: SUPPORT

Chair Guzzone, Vice-Chair Rosapepe, Members of the Budget and Taxation Committee:

The Maryland Department of Veterans Affairs supports Senate Bill 211 - Income Tax - Subtraction Modification - Military Retirement Income, legislation that would fully exempt military retirement income from state income tax.

Senate Bill 211 will make Maryland more competitive in attracting military retirees to live, work and raise families in our State. At least seventeen states do not tax military retirement, including nearby states like Pennsylvania, New Jersey, New York, Ohio and West Virginia. Many other states, including nearby states such as North Carolina and South Carolina, offer tax exemptions that provide greater tax relief to many military retirees than Maryland's current law.

Not only is this the right thing to do for our military veterans, exempting military retirement income will make Maryland more attractive for veterans who bring economic value to Maryland. The education, skills, and training our military members gain during their service are in demand by civilian employers and often military retirees will put these skills to use in the private sector upon retirement.

The Administration has introduced similar legislation to exempt military retirement income from state taxes and looks forward to discussing it with the Committee.

The Department appreciates the leadership and commitment of the bill sponsor, this Committee and the General Assembly in providing these hard-earned benefits to our military retirees and looks forward to continuing to work together to expand the subtraction modification. The Department respectfully requests a favorable report on Senate Bill 211.