

Harvey T. Kaplan, MMC Director for Maryland MOAA

February 11, 2020

Delegate Anne R. Kaiser, Chair
Ways and Means Committee, Maryland House of Delegates
Room 131, House Office Building; Annapolis, Maryland 21401

Dear Delegate Kaiser and Members of the Committee,

For the past 21 years Maryland's Veterans have supported the revenue-producing approach of elimination of taxes on Uniformed Services Retired Pay for retirees living in our State. HB 361 is a bipartisan piece of legislation supported by our 17 Maryland Military Coalition (MMC) organizations and a large segment of the 460,000-member Veterans community in Maryland. It is imperative that it be implemented in 2020 during a period of monumental economic competition for highly technical and experienced military retirees in our geographic area. Maryland is becoming a cyber and technical center of excellence urgently requiring the intellectual capital of military retirees to work in Maryland's Defense-related industry and in other areas where their skills, highly valued knowledge, and security clearances are critically essential. As explained in the recent General Assembly-directed research study by Towson University, implementation unquestionably will generate millions of dollars in State revenue monthly once the provisions of HB361 are fully implemented. Details of the Oct. 2019 Towson University Regional Economic Studies Institute [RESI] document can be found in [A Study of Employment in the State's Defense Industry](#), via this link: commerce.maryland.gov/Documents/Research_Document/employment-in-maryland-defense-study-HB-1542-2019.pdf I respectfully recommend that all members of your Committee review the new study; they will find it most relevant to your work and substantiates the testimony they have heard continually from Maryland's Veterans.

The 10 Maryland Chapters of MOAA with members in all Districts in the State strongly urge the House of Delegates Ways and Means Committee to move our State forward on this truly meaningful economic initiative. Kindly let me know if there is anything our Council or I can provide to further explain details in the Towson University study and/or how this supports all the citizens of Maryland.

In past years your Committee has argued that there are insufficient dollars to implement this type of legislation—even though the cited study forecasts longer-range economic benefits for the State. However, this year the required dollars already are in the Governor's Budget. We need to use them for the purpose for which they are identified, and thereby generate millions of dollars in revenue for Maryland in future years—as explained clearly and most meticulously in the Towson University study.