



<https://www.aarp.org/money/taxes/info-2020/states-that-tax-military-retirement-pay.html>

As the map shows, a majority of states have exempted military retirement income from taxation, positioning them as potentially more desirable retirement locations than Maryland.

Over the years, there have been many bills that seek to expand the percentage of military retirement income exempt from state taxation. A variety of bills to that effect are currently pending. Rather than expand the exemption by a few percentage points, I urge the General Assembly to stand with our veterans and military retirees and phase in a complete exemption, as articulated in HB 0734.

Eliminating military retirement from state taxation not only benefits Maryland retired veterans, doing so also benefits the state. The bill incentivizes newly retired veterans to move to or remain living in Maryland. Their spending power benefits local businesses, and their knowledge and experience benefits prospective employers and communities. The bill enables Maryland to compete successfully with other states as a home for military retirees and demonstrates support and appreciation for those who served our country in the Active, National Guard and Reserve Components.

I want to thank the Speaker for her leadership on this issue and urge the passage of HB 0734.

Thank you.