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Education, Energy, and
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Executive Nominations Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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The Senate Budget and Taxation Committee

**SB 897 – Income Tax Subtraction Modification – Death Benefits – Law
Enforcement Officers and Fire Fighters**

Statement of Support by Bill Sponsor Senator Mary Beth Carozza

Thank you Chair Guzzone, Vice Chair Rosapepe, and members of the distinguished Senate Budget and Taxation Committee for this opportunity to present Senate Bill 897 – Income Tax Subtraction Modification – Death Benefits – Law Enforcement Officers and Fire Fighters.

This legislation would allow for a subtraction under the Maryland income tax to pay death benefits under a collective bargaining agreement from a county or municipality to the surviving spouse of a fallen law enforcement officer or firefighter. This bill specifically is intended to relieve the tax liability on the death benefits of the families of first responders who died in the line of duty, families who are already suffering from the loss of a parent, child, or spouse, families like Tashica Hilliard's, whose husband, Corporal Glenn Hilliard with the Wicomico County Sheriff's Office was brutally murdered by a violent offender.

Death benefits that are paid to the families of our fallen heroes are intended to relieve the immediate financial burden caused by their loss. However, under the current tax law, these death benefits are required to be reported as taxable income, meaning that these families cannot use the full benefit granted to them. This grave oversight, which we have been working with the Comptroller's office to rectify, was brought to our attention by Tashica Hilliard, the widow of Corporal Glenn Hilliard.

On the evening of June 12, 2022, Corporal Glenn Hilliard, a 16-year veteran of the Wicomico County Sheriff's Office, was shot and killed in the line of duty by a suspect who was wanted by the Maryland State Police in several counties, the Worcester County Sheriff's Office, and Baltimore City Police. The murder of Corporal Hilliard has been painful and devastating to the Hilliard family, his family at the Wicomico Sheriff's Office, and our entire Shore community. We have a moral obligation to support the families of our fallen heroes.

One important way to do so is to provide some financial security to the families of fallen heroes. On June 14, 2022, the Wicomico County Council, pursuant to a Collective Bargaining Agreement, authorized payment of a death benefit to his spouse in the amount of \$500,000. In

the process of preparing the 2022 tax return, Mrs. Hilliard learned that the death benefit had to be reported as taxable income resulting in a \$176,000 tax liability (\$138,000 federal and \$38,000 State).

The Hilliard family continues to suffer from the murder and death of their loved one, Glenn Hilliard, and will need emotional and financial support well into the future. The family should be relieved of this \$176,000 tax liability which is causing undue stress and a huge financial burden to a family of a law enforcement officer who served our State with honor in a dangerous job and ended up making the ultimate sacrifice.

Our federal partners are in the process of removing the tax burden at the federal level, and this legislation before you is intended to do the same at the State level. We have been working with the Comptroller's Office since this situation was brought to our attention, and I want to personally thank Joe Francaviglia, the Government Affairs Director, for his understanding and assistance.

Corporal Glenn Hilliard served Wicomico County and Maryland with integrity and was taken from his wife, his three children, and his community way too soon due to the evil actions of a violent criminal. We know from the world we live in that there will be more fallen heroes who end up making the ultimate sacrifice in their service to protect our homes, schools, neighborhoods, and communities across the State of Maryland.

This legislation would ensure that the families of these fallen heroes receive these full death benefits as intended, and SB 897 would be applied retroactively to any taxable years beginning after December 31, 2021 to guarantee that the Hilliard family receives the benefits of this legislation.

On a personal note, I publicly want to thank Tashica Hilliard for her leadership in advocating for the removal of this flaw in the tax code and for stepping up for the families of Maryland's fallen heroes. You continue to inspire all of us to strive for excellence in service to others.

I thank you for your kind attention and consideration, and I respectfully request a favorable and very swift report on SB 897.