

# **Favorable Testimony Delegate CharlesHB0864.pdf**

Uploaded by: Charles, Delegate Nick

Position: FAV

Favorable Testimony HB0864

**HB0864: Income Tax- Subtraction Modification- Military Retirement Income**

Good Afternoon Senator Guzzone, Vice Chair Rosapepe and honorable members of the Budget and Taxation Committee. I am Delegate Nick Charles and I thank you for taking the time to consider House Bill: 0864 – Income Tax-Subtraction Modification – Military Retirement Income. This bill serves as a catalyst to help our most vulnerable veterans; those who gave so much of their life to this country and this State and are now 100% Disabled with a rating from the United States Department of Veteran Affairs. This bill would create tax savings for a retired military veteran who has this 100% disability rating from the VA. Under current law the first \$15,000 of military retirement income for a veteran who is at least 55 years old can be written off on their taxes.

If this passes when a veteran meets the profile of being retired and 100% disabled from the VA, they would be able to write off the first \$30,000 of their retirement income. According to the Federal Bureau of Labor Statistics, there are only approximately 700 veterans who classify as 100% service-connected disability in our state. Seeing that this bill affects both veterans who are 100% service disabled and who are retired, it is predicted that less than 700 veterans will receive the increased subtraction modification. Although this bill affects a small subset group of people, these people not only need this tax break, but deserve it. Not every veteran is retired from military service and not every veteran has a 100% disability rating from the United States Veteran Affairs. So, the impact is limited on the state. Additionally, these Veterans are spending their money on essentials, such as food and shelter; therefore, the money not collected in taxes will be immediately in local economies, benefiting our State

Thank you for taking the time to hear this critical piece of legislation. I encourage a favorable report to be adopted for HB0864, as this is a small step Maryland can take to repay the immense sacrifices of our Veterans.

Sincerely,

Nick Charles

Maryland State Delegate- District 25

# **William Speight B+T Favorable Testimony.pdf**

Uploaded by: Speight, William

Position: FAV

Favorable Testimony

**HB0864: Income Tax- Subtraction Modification- Military Retirement Income**

Chairman Guy Guzzone and honorable members of the Budget and Taxation Committee, my name is William A. Speight and I am the current Commander of American Legion Post 196 and President of Fleet Reserve Branch 67. Additionally, I am a retired US Coast Guard service member. I am appreciative and grateful for the opportunity to testify in support of House Bill: 0864. This piece of legislation allows for a subtraction modification under the Maryland income tax code for the first \$30,000 of military retirement income received by an individual, during the taxable year. However, this subtraction modification is only applicable if that individual has received a determination of a 100% service-connected disability from the U.S. Department of Veterans Affairs. If a Marylander has paid the ultimate sacrifice in completely disabling their body to fight for our Nation, the Maryland legislative body has a duty to collect less of their taxes, as the State has already asked and received so much from them. Maryland is consistently ranked as a State that has some of the worst Veteran benefits. The State should do what it can to ensure Veterans want to live in Maryland by providing them with feasible taxes on their retirement.

A Veteran who received this determination of 100% service-connected disability represents one of the most vulnerable populations in our society. Simply returning home after normal service leaves many Veterans without resources to survive fruitfully. Noting this and then recognizing that these Veterans also have been deemed 100% disabled, this legislative body can begin to wrap its head around how endangered one with this determination might be. As such, Maryland must ensure that our most vulnerable military Veterans are keeping as much money as possible to survive. HB0864 would allow a Veteran to now write off the first \$30K of their retirement income, which is a substantial and necessary increase from the current \$15K tax break. Putting upwards of \$15k back into the pockets of our 100% service-connected disabled Veterans will have dramatically positive effects for the State of Maryland. These Veterans are looking to spend their money on groceries, rent, medication and survival needs. This means that the \$15k Maryland is not collecting, is likely to go directly and immediately back into the Maryland economy. Passing this legislation is a small step Maryland can take to make retirement for Veterans more comfortable.

This piece of legislation has the potential to support disabled Veterans at unprecedented levels. I can think of people I know who would immediately benefit and have a better capacity for enjoying life if this Bill was passed. For these reasons, I encourage this committee to return a favorable report for HB0864. Thank you.

**HB0864-BT\_MACo\_OPP.pdf**

Uploaded by: Kinnally, Kevin

Position: UNF



## House Bill 864

### *Income Tax - Subtraction Modification - Military Retirement Income*

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 30, 2021

From: Kevin Kinnally

### **Tax Incentives and Local Government Autonomy**

The swift and unprecedented shock of the COVID-19 public health crisis has wreaked havoc on the economy. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally.

The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but welcomes tools to grant counties options and flexibility to pursue their own parallel tax incentives, or to develop others to suit their local needs.

The General Assembly routinely considers proposals to change tax structures, often seeking to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals often are focused exclusively on the state's tax structure, but sometimes extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently advocates against statewide solutions that mandate county compliance or otherwise override local decision-making.

Property taxes show the best collaborative way to enact targeted tax relief. The State and its local governments already work together here – where the State routinely grants a state-level tax credit, but then enables county governments to enact their own as a local option.

State proposals that involve local revenue sources can be enacted as “local option” offerings, to allow counties maximum flexibility to achieve local goals.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments hope the Committee finds these comments helpful. Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input.