

NICK CHARLES
Legislative District 25
Prince George's County

Health and Government
Operations Committee

Subcommittees

Health Occupations and
Long Term Care

Insurance and Pharmaceuticals



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Bill Title: Income Tax-Subtraction Modification-Military Retirement Income

Hearing Date: February 18, 2021

Chair: Delegate Anne Kaiser, Ways and Means

Good afternoon madam chair, vice chair, and members of the Ways and Means Committee. I am Delegate Nick Charles and I am asking for a favorable report of **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 a tax savings for a retired military veteran who has a 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.

Thank you for taking the time to hear the bill. I ask you all for a favorable report for HB0864.

Sincerely,
Nick Charles
Maryland State Delegate- District 25

A handwritten signature in black ink that reads "Nick Charles".