



MARYLAND MILITARY COALITION

SENATE BILL 211 – SUPPORT

Senate Bill 211 – Income Tax - Subtraction Modification - Military Retirement Income
Senate Budget and Taxation Committee
January 22, 2020

The Maryland Military Coalition is a **nonprofit, all volunteer, Veterans advocacy group** representing the interests of Maryland Veterans, Service members, and their Families. Our alliance consists of sixteen organizations, listed on the following page, with over 100,000 members. We represent about one-fourth of Maryland's Veterans, Service members, and their Families.

The Maryland Military Coalition **supports Senate Bill 211.**

The Maryland Military Coalition believes that our military retirees deserve to receive their retirement income free from state taxation. Dozens of other states agree, including neighboring West Virginia and Pennsylvania.

This legislation will also serve as a catalyst for Maryland's defense industry, which loses thousands of jobs each year due to lack of qualified candidates. **An influx of newly retired Service members, seeking second careers, could fill most, if not all, of these jobs.**

According to the recent study by Towson University's Regional Economic Studies Institute, each year, Maryland's defense industry faces a shortage of 7,000 skilled workers. My review of sixty recent defense job postings noted a mean income of \$87,000. What could that mean to Maryland?

- 7,000 jobs filled at that mean income yields \$609 million in individual income
- At Maryland's 10.9% state-local tax burden, that yields over \$66 million in tax revenue

Based on Towson's report, each military retiree household creates additional jobs, economic output, employment compensation, and state and local taxes. Using Towson's figures, if those 7,000 jobs were filled by newly arrived military retirees, creating 7,000 additional military retiree households, it would generate:

- 5,110 additional jobs
- Over \$800 million in additional output
- Over \$230 million in additional employment compensation, and
- Over \$52 million in additional state and local taxes

Senate Bill 211 increases the retirement security of military retirees no longer working.

It will also attract new generations of military retirees who will keep Maryland's defense industry vibrant, generate significant economic growth, and help ensure the survivability of Maryland's military bases in the event of another base closure and realignment effort.

We respectfully request a favorable report for Senate Bill 211.

For questions or additional information, please feel free to contact me at
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Member Organizations, Maryland Military Coalition


Air Force Sergeants Association


American Military Society


Commissioned Officers Association of the
US Public Health Service


Disabled American Veterans


Distinguished Flying Cross Association


Fleet Reserve Association


Jewish War Veterans of the USA


Maryland Air National Guard Retirees'
Association


Military Officers Association of America


Military Order of the Purple Heart


National Association for Black Veterans


Naval Enlisted Reserve Association


NOAA Association of Commissioned Officers


Society of Military Widows


The Retired Enlisted Association


Veterans of Foreign Wars