

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

Good afternoon Chairman Guzzone and members of the Senate Budget and Taxation Committee. My name is Tammy Bresnahan. I am the Director of Advocacy for AARP Maryland. AARP MD is one of the largest membership-based organizations in the State, with almost 900,000 members, including nearly 200,000 Veterans.

On behalf of AARP Maryland, I am here today to support **Senate Bill 211 – Income Tax – Subtraction Modification – Military Retirement Income**. We thank Senator Salling for introducing this important retirement security legislation.

SB 211 expands the existing military retirement income tax subtraction modification by exempting 100% of military retirement income from State taxation. The exemption is phased in over three years, beginning with tax year 2021.

Active military members are generally eligible for retirement after 20 years of service. The majority then get civilian jobs, turning their military training into skills for the private sector. As a result, they pay income taxes, sales taxes on everything they buy, and possibly business taxes, boosting the economies of the states they live in.<sup>1</sup>

AARP Maryland supports this retirement security initiative as it:

- Honors the Service of our military retirees through affording a total tax subtraction modification for military retirement income;
- Acknowledges their sacrifice by noting that military retirement income represents a small return given that it is earned through decades of often hazardous service performed on a global basis, and that it can only in the most limited manner conveyed to a surviving spouse; and
- Makes Maryland an attractive retirement option for future military retirees

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<sup>1</sup> Elaine S. Povich, “States Compete for Military Retirees” *STATELINE ARTICLE*, August 10, 2015

AARP Maryland believes that supporting Senate Bill 211 is a solid economic move for Maryland, its workforce, its employers, our military installations, and all taxpayers across the State – not just for retired members of the Uniformed Services.

**AARP Maryland respectfully requests a favorable report for Senate Bill 211.**

For questions or additional information, please feel free to contact Tammy Bresnahan, Director of Advocacy at [tbresnahan@arp.org](mailto:tbresnahan@arp.org) or by calling 410-302-8451.