

PAUL D. CORDERMAN
Legislative District 2
Washington County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Pensions



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March 3, 2021

Testimony in Support of Senate Bill 870 Income Tax – Subtraction Modification – COVID-19 –Related Distribution of Retirement Income

Chairman Guzzone & Members of the Budget & Tax Committee;

Thank you for the opportunity to present SB 870 to you this afternoon.

The COVID-19 pandemic has financially impacted Marylanders across the state. Many lost their jobs, were temporarily laid off, had a family member diagnosed with COVID-19 and were forced to stay home and care for their loved ones, and some even were forced to shut their businesses.

In an effort to make ends meet, some Marylanders made withdrawals from their retirement income. SB 870 will protect Marylanders from being penalized and taxed for the withdrawals they made (up to \$100,000) as a result of experiencing adverse financial consequences as a result of the pandemic. Specifically, these scenarios are mentioned in the bill – if the individual’s spouse or the individual’s dependent was diagnosed with COVID-19, if the individual was furloughed, laid off, or had reduced working hours, if the individual was unable to work due to lack of childcare, if the individual’s business was closed or had reduced hours.

This is a reasonable accommodation for Marylanders that were hit hard during the pandemic and provides a fair protection from being further penalized for using part of their retirement income to simply take care of themselves and their loved ones.

Thank you for your consideration. I respectfully ask for a favorable report on SB 870.

Sincerely,

A handwritten signature in blue ink that reads "Paul D. Corderman".

Paul D. Corderman
District 2 – Washington County