



NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES
MARYLAND FEDERATION

GARY ROUNDTREE
PRESIDENT

EDWARD HOLLAND
1st VICE PRESIDENT
LEGISLATIVE DIRECTOR

ED REED
2nd VICE PRESIDENT
MEMBERSHIP DIRECTOR

MELODY KEBE
SECRETARY

VACANT
TREASURER

DR. SUDHA HALEY
IMMEDIATE PAST PRESIDENT

TED JENSEN
PAST PRESIDENT

DAN MCGRATH
PAST PRESIDENT

RON BOWERS
PAST PRESIDENT

Testimony of Paul Schwartz

January 31 2024

Senate Budget & Taxation Committee

SB 498 – Income Tax – Senior Tax Credit - Alterations

I am Paul Schwartz on behalf of NARFE AND seniors who would like to retire in place

According to Comptroller Brooke Lierman there will be a sharp decline in revenue for FY 2024 and FY 2025.

One of the main reasons why Maryland's economic recovery has been so slow is because total population growth is declining.

While Maryland continues to see a population decline, states like the Carolinas are seeing continued increases in population, especially among retirees.

We can't get tax relief for retirees because of loss of revenue resulting from population decline, yet the population decline can be tied directly to the high cost of retiring in Maryland.

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill. Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note – (you know who does do that? The insurance industry, so it can be done)

Legislative Services simply checks with the Comptroller's office and takes a hard count of lost tax revenue and gives you that figure in the fiscal note without factoring in any cost savings over the long term

Let's make it a little bit easier for retirees to retire in place right here in Maryland and not watch them move to a more tax-friendly state and, thereby, lose their tax money including sales tax, fuel tax, and property tax

We passed the original Bi-Partisan legislation two sessions ago during a gubernatorial election year

Let's simply take that legislation this year and adjust it for inflation and help keep our retirees here