

MCPA-MSA_SB 588-Subtraction Modification-Public Sa

Uploaded by: Andrea Mansfield

Position: FAV



Maryland Chiefs of Police Association Maryland Sheriffs' Association



MEMORANDUM

TO: The Honorable Guy Guzzone, Chair and
Members of the Senate Budget and Taxation Committee

FROM: Darren Popkin, Executive Director, MCPA-MSA Joint Legislative Committee
Andrea Mansfield, Representative, MCPA-MSA Joint Legislative Committee
Natasha Mehu, Representative, MCPA-MSA Joint Legislative Committee

DATE: February 7, 2024

RE: **SB 588 – Income Tax – Subtraction Modification – Public Safety Employee
Retirement Income**

POSITION: SUPPORT

The Maryland Chiefs of Police Association (MCPA) and the Maryland Sheriffs' Association (MSA) SUPPORT SB 588. This bill expands the current subtraction modification for public safety retirement income.

Regardless of the agency or uniform worn, the men and women of law enforcement and other public safety occupations have stepped forward on behalf of the citizens of their communities and of our State. Each one has taken an oath, a promise, to put the well-being of others first. As we have seen all too often, these professionals put their lives and safety on the line each shift they work, many being asked to make the ultimate sacrifice. This legislation recognizes and honors the sacrifice of public safety officers. MCPA and MSA believe this is warranted and appropriate considering the dangerous work these individuals perform throughout their careers and their dedication to service to and protection of the public.

For this reason, MCPA and MSA SUPPORT SB 588 and urge a FAVORABLE Committee report.

2024 SB 588 Tax Subtraction Public Safety - FOP S

Uploaded by: angelo consoli

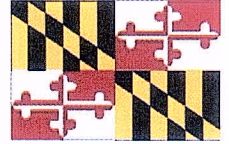
Position: FAV



CLYDE BOATWRIGHT
STATE PRESIDENT

Maryland State Lodge
FRATERNAL ORDER OF POLICE

8302 COVE ROAD, BALTIMORE, MD 21222



KENNY SCHUBERT
SECRETARY

EARL KRATSCH
TREASURER

February 6, 2024

SB 588 - Income Tax - Subtraction Modification – Public Safety Employee Retirement Income

Dear Chairman Guzzone and Distinguished Members of the Budget and Taxation Committee,

The Maryland State Fraternal Order of Police **SUPPORTS** Senate Bill 588 - **Income Tax - Subtraction Modification – Public Safety Employee Retirement Income.**

Senate Bill 588 will provide an increase to the allowed amount that can be subtracted from the Federal adjusted gross income from an employee retirement system that is attributable to service as a public safety employee, if the income is received by an individual who is at least 55 years old on the last day of the taxable year.

The enactment of **SB 588** would create a modest increase from the current \$15,000 subtraction to a subtraction of \$20,000. A **FAVORABLE** vote on **SB 588** would continue to show the support of the State of Maryland to its Public Safety retirees and further incentivize them to maintain their residence in the State of Maryland. Currently, due to retirement tax incentives of some of our surrounding states, our members frequently change residency to locations outside of Maryland after retirement in order to take advantage of the lower taxes applied to their retirement income. This Bill will go a long way towards continuing to encourage our Police Officers who have worked their entire career in Maryland to continue to reside here after their retirement.

On behalf of the more than 20,000 Courageous Men and Women of the Maryland Fraternal Order of Police we thank you for your support and ask for your **FAVORABLE** vote on **Senate Bill 588 - Income Tax - Subtraction Modification – Public Safety Employee Retirement Income.**

Angelo L. Consoli Jr,
2nd Vice President, FOP, Maryland State Lodge
President, FOP Lodge 89, Prince George's County

SenatorBailey_FAV_SB588.pdf

Uploaded by: Jack Bailey

Position: FAV

JACK BAILEY
Legislative District 29
Calvert and St. Mary's Counties

Budget & Taxation Committee



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February 7, 2024

Senate Bill 588 – Income Tax – Subtraction Modification – Public Safety Employee Retirement Income

Dear Chairman Guzzone and Members of the Committee,

I am writing to introduce Senate Bill 588. This bill would increase the maximum value of the income tax subtraction modification for public safety employee retirement income from \$15,000 to \$20,000.

Last session, the General Assembly passed legislation which increased the deduction for military retirement income received by individuals who are at least 55 years old to \$20,000. Prior to passage of this bill, the subtraction modifications for military retirement income and public safety retirement income were the same, \$15,000. Senate Bill 588 is intended to match this increase to the deduction for public safety retirement income.

I believe that every Marylander deserves an income tax-free retirement. This will continue to move us towards this goal while recognizing the important work that our public safety retirees have done and will continue to do for our State. We want our hometown heroes to stay in Maryland when their work protecting our residents is done, and Senate Bill 588 will help incentivize these retirees to remain here. We also know that there is an economic benefit to keeping public safety retirees in our State, as many of these people still have so many skills to offer our communities to continue their good work after they retire as volunteers or in other jobs protecting our citizens.

I respectfully request a favorable report on Senate Bill 588. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bailey'.

Senator Jack Bailey

Senate Bill 588 (2024) PFFMD Testimony - J. Buddle

Uploaded by: Jeffrey Buddle

Position: FAV



February 7, 2024

Senator Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

Position: FAVORABLE

Re: SB588 - Income Tax Subtraction Modification - Public Safety Retirement Income

The Professional Fire Fighters of Maryland represents more than 10,000 active and retired professional fire fighters and emergency medical services personnel who proudly serve the citizens of the State of Maryland.

Fire fighters put their lives on the line every day protecting lives and property throughout our State. While our members enjoy long careers protecting the communities they serve, too many continue to move out of Maryland once they reach retirement to take advantage of the tax breaks they receive from other nearby states.

Pennsylvania, Delaware, and South Carolina are examples of states which offer significant advantages for retirees when compared to Maryland. Pennsylvania is one of the most generous states in the nation when it comes to offering income tax exclusions on a wide variety of retirement income. Pennsylvania does not tax Social Security or any eligible pension plan. Moreover, Pennsylvania does not tax distributions from 401(K), deferred compensation plans, or other retirement accounts.

Making our state as welcoming and friendly as possible to retirees is simply the right thing to do. Continuing to improve upon income tax subtractions for service-related retirement benefits would be a great next step to ensuring that the people who spend their lives in service to others are given the support and tax relief that they deserve to stay and retire in Maryland.

On behalf of the members of Professional Fire Fighters of Maryland, we encourage a favorable report on Senate Bill 588.

Submitted respectfully,



Jeffrey Buddle, President
Professional Fire Fighters of Maryland

The membership of the Professional Fire Fighters of Maryland includes 27 IAFF local affiliates from the following jurisdictions:

Federal: Aberdeen Proving Grounds, Fort George G. Meade, National Capital Federal Fire Fighters, National Institutes of Health

State: Baltimore / Washington International Airport

Local: Annapolis City, Allegany County, Anne Arundel County, Baltimore City (2 affiliates), Baltimore County, Carroll County, Cecil County, Charles County, Cumberland City, Frederick County, Garrett County, Hagerstown, Howard County, Montgomery County, Ocean City, Prince Georges County, Queen Annes County, Salisbury, St. Mary County, Talbot County, Worchester County

Edward Smith SB588 Written Testimony.pdf

Uploaded by: Edward Smith

Position: FWA

Ed Smith

8825 Harmony Road • Denton, MD 21629
Phone: 202-421-1356 • E-Mail: ESmith36@gmail.com

Date: February 6, 2024

Subject: Request for Amendment to Senate Bill 588 - Inclusion of "The District of Columbia"

Chair Guzzone, Vice Chair Rosapepe and Members of the Budget and Taxation Committee:

I trust this testimony finds you well. My name is Edward Smith, and I am a lifelong resident of Maryland, currently residing in Caroline County. I am writing to you respectfully to bring attention to an important matter concerning Senate Bill 588.

With a dedicated service record spanning over 29 years in the District of Columbia Fire Department, I have had the honor of serving as a protector of our Nation's Capital. Considering my experience, I am seeking an amendment to Senate Bill 588 to explicitly include "The District of Columbia" in 10-207 (a)(1)(v). The current wording of the bill has proven to be ambiguous since its enactment, and I believe it requires clarification.

Having been on duty during the tragic events of 9/11/01 and responding to incidents at both our Capitol and the White House throughout my career, I take immense pride in the responsibilities that come with safeguarding our Nation's Capital. Additionally, it's worth noting that our pension checks are distributed by the Federal Treasury, underscoring the federal nature of our service.

Despite these factors, I was surprised and disheartened to discover that we are not currently covered under the existing legislation. Given the evident significance of our Nation's Capital within the scope of Senate Bill 588, I urge you to consider the proposed amendment. This amendment would not only rectify the current oversight but also ensure that all those who have served in protecting our Nation's Capital receive the recognition and support they deserve.

Thank you for allowing me to submit this favorable position with amendment. If you would like to discuss this further or require any additional information, please feel free to contact me.

Additionally, thank you for your dedication to public service, and I look forward to a positive resolution to this matter.

Sincerely,

Edward C. Smith

Edward C. Smith
Retired Firefighter
District of Columbia Fire Department

SB0588-BT_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



Senate Bill 588

Income Tax – Subtraction Modification – Public Safety Employee Retirement Income

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: February 7, 2024

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the State's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, enabling county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives but resist state-mandated changes that preclude local input.