



MARYLAND MILITARY COALITION

SENATE BILL 488 – SUPPORT

Senate Bill 488 – Income Tax – Subtraction Modification – Military and Public Safety Retirement Income

Senate Budget and Taxation Committee

February 12, 2020

Mr. Chairman and members of the Committee, my name is Dave Peterson, and I am here today to represent the Maryland Military Coalition (MMC). The Coalition is a registered, non-partisan group of 16 leading Maryland veterans and military organizations as shown on the back of my statement, representing approximately one out of four military-connected people in the state including veterans, uniformed services members – active, former, and retired – their survivors and family members.

While our membership does not include members of the public safety community, we certainly respect their concerns and needs. Senate Bill 488 serves these community members as well as retired veteran, all of whom offer, or have offered, to put their lives on the line daily so others like us may live and thrive in a free society. **The MMC strongly supports SB488.**

MMC addresses here only the military retirement income provisions of this bill. The military retired pay subtraction issue has been taken up by this committee before and has a long history with many thoughtful arguments in its favor over the years. SB488 proposes the next reasonable incremental step to help the state continue its efforts to realize the benefits of creating a more competitive stance for building our workforce, particularly in the defense industry. It is clear from the recent and thorough study by Towson University that the state needs many more qualified professionals with top security clearances to work in the defense industry. For the younger military retiree seeking a second career and a welcoming employer and what comes next, his or her decision on location will likely be made primarily as a “business” decision rather than a “feel good” decision based on the beauty of the area. The tax status of well-earned retired pay is a major factor in this decision.

In a high employment, competitive national economy, it only makes sense for our state to offer meaningful incentives to attract the type of professionals our employers seek, particularly defense industry employers. While the ultimate goal of the MMC is the eventual 100% subtraction of uniformed services retired pay, SB488 is a positive step in that direction under the current fiscal realities that face the state. **The Maryland Military Coalition supports SB488**, and thanks you for this opportunity to express that support before the Committee today.

Respectfully submitted,

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for The Maryland Military Coalition
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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

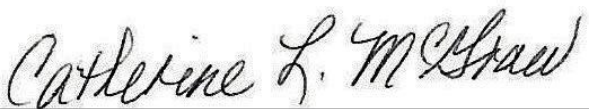

Military Officers Association of America


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