

**SB488 - PFFMD Written Testimony (2-12-2020)**

Uploaded by: Buddle, Jeff

Position: FAV

# PROFESSIONAL FIRE FIGHTERS OF MARYLAND

JEFFREY BUDDLE, PRESIDENT  
JOHN F. QUIRK, SECRETARY TREASURER



THOMAS SKINNER, 1<sup>ST</sup> VICE PRESIDENT  
MELISSA BRAGG, 2<sup>ND</sup> VICE PRESIDENT

CHARTERED 1969

**February 12, 2020**

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

**SUBJECT: Senate Bill 488 – Income Tax – Subtraction Modification  
Military & Public Safety Retirement Income (Favorable)**

Chairman Guzzone,

The Professional Fire Fighters of Maryland represents over 10,000 active and retired fire fighters and paramedics across the State of Maryland. On behalf of our members we strongly support Senate Bill 488 and urge the Senate Budget & Taxation Committee to issue a **favorable report**.

Senate Bill 488 would provide an income subtraction modification for the first \$20,000 of retirement income for a qualified retired public safety employee beginning at age 55. Additionally, SB 488 would amend the law to ensure that this benefit continues throughout the public safety employee's retirement.

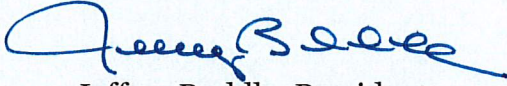
Legislation related to this matter was first introduced in the Maryland General Assembly in 2006. Over the years various pieces of legislation have been introduced. In 2017 the General Assembly approved legislation that provides an income subtraction modification for the first \$15,000 dollars of retirement income between the ages of 55 – 65. Senate Bill 488 provides an important provision to close a critical loophole in which many of our retired members stop receiving the current income subtraction modification benefit at age 65.

Public Safety employees covered under the current law and by the proposed legislation protect the citizens of the State of Maryland 24 hours a day, 365 days a year. These employees serve the citizens during careers that span between 20 – 30 years with some being even longer. All too often, upon retirement, these individuals move out of Maryland to other states because these states have more favorable tax provisions on retirement income.

If enacted, this legislation would put Maryland in a much better position with neighboring states and provide an incentive for retired public safety employees to remain in the state in which they faithfully served the community over the course of their careers.

On behalf of all the members of the Professional Fire Fighters of Maryland we strongly support SB488 and urge the Senate Budget & Taxation Committee to issue a **favorable report.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Buddle". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

Jeffrey Buddle, President  
Professional Fire Fighters of Maryland

# **SB488\_AL\_Support\_Peters**

Uploaded by: Guibao, Patrick

Position: FAV



**THE AMERICAN LEGION**  
Department of Maryland  
Legislative Commission

1020 Wallace Road  
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443.949.6322  
*patguibao@icloud.com*

**STATEMENT IN SUPPORT FOR SENATE BILL 488  
INCOME TAX – SUBTRACTION MODIFICATION – MILITARY AND  
PUBLIC SAFETY INCOME**

Chairman Guzzone and distinguished members of the Budget and Taxation Committee,

The American Legion is an ardent supporter for an equitable tax reduction for those who have served in uniform their nation as well as those who put their lives on the line daily for our communities and the State of Maryland.

We earnestly believe Senate Bill 488 is a reasonable and just measure to honor those who have served us honorably in their respective careers. This bill will allow them to live out the remainder of their lives in a more secure fashion and, hopefully, stem the exodus from our State to other states which have a more favorable tax legislation to honor their services.

While we recognize and honor our colleagues in law enforcement and fire safety our primary responsibility is to those who gave most of their life in the armed forces. The American Legion believes those who are about to conclude their military careers would probably prefer to continue to live their lives in Maryland and begin a second career.

This is especially true of those who hold high level security clearances and would be valuable assets to the burgeoning defense contract industry here which is on a growth parity to other such states as California and Texas. Presently, many of those already employed in this field are commuting from communities in Pennsylvania, New Jersey and West Virginia; states already having beneficial tax regulations favoring the military retiree.

In conclusion, The American Legion while respecting other legislative initiatives on this subject feels SB 488 is a realistic alternative particularly in a period when there are great needs confronting the Legislature in this session and respectfully request a favorable report on SB 488, Thank you, and

Respectfully, yours

*Patrick Guibao*

Patrick J. Guibao  
Chairman  
THE AMERICAN LEGION  
Department of Maryland  
Legislative Commission

**SB0488\_DPSCS\_SUPP**

Uploaded by: kahl, catherine

Position: FAV



## Department of Public Safety and Correctional Services

### Office of the Secretary Office of Government and Legislative Affairs

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GARY W. McLHINNEY  
ASSISTANT SECRETARY

CATHERINE KAHL  
ACTING DIRECTOR

**BILL: SENATE BILL 488**

**POSITION: SUPPORT**

**EXPLANATION:** This bill increases the amount of a subtraction modification under the Maryland income tax to \$20,000 for certain retirement income attributable to an individual's employment as a correctional officer, a law enforcement officer, or a fire, rescue, or emergency services worker if the individual is at least 55 years old.

#### **COMMENTS:**

- The Department's Division of Correction operates approximately 17 State correctional facilities which house offenders sentenced to incarceration for 18 months and longer. The Department also runs the Baltimore City Jail, which houses pretrial detainees and inmates sentenced to incarceration for 18 months and less.
- The Hometown Heroes Act of 2018 provided tax relief, in the form of a subtraction modification to retired law enforcement, fire or rescue and emergency services personnel, including medical technicians and paramedics.
- This bill expands the State income tax subtraction modification for retired law enforcement; correctional officers; and fire, rescue, or emergency services personnel to \$20,000.
- The Department has over 5,500 dedicated correctional officers, working in 21 correctional facilities across the state. Correctional officers and their chain of command are tasked with the care, custody and control of over 20,000 inmates and detainees.
- Correctional officers, along with law enforcement and emergency services personnel are dedicated to ensuring public safety. The Department is supportive of this income tax subtraction modification.

**CONCLUSION:** For these reasons, the Department of Public Safety and Correctional Services respectfully asks this Committee to vote FAVORABLE on SB 488.

# **SB488\_MMC\_Support\_Peterson**

Uploaded by: Peterson, David

Position: FAV





## 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,

Captain David H. Peterson, NOAA (Ret)  
for The Maryland Military Coalition  
7612 Anamosa Way  
Derwood, Maryland 20855 (District 19)

**Member Organizations, Maryland Military Coalition**

*James P. Monahan*  
Air Force Sergeants Association

*Stacy P. May*  
American Military Society

*Lynn A. Nash*  
Commissioned Officers Association of the  
US Public Health Service

*Wilbert B. Forbes*  
Disabled American Veterans

*Sheldon Goldberg*  
Distinguished Flying Cross Association

*Pleasala J. Collins*  
Fleet Reserve Association

*Evan A. Buttrick*  
Jewish War Veterans of the USA

*Steve L. Bloodgood*  
Maryland Air National Guard Retirees'  
Association

*Harvey Kaplan*  
Military Officers Association of America

*Charles Egbert*  
Military Order of the Purple Heart

*Mervyn Rice*  
National Association for Black Veterans

*Michael P. Hays*  
Naval Enlisted Reserve Association

*Christian Andreasen*  
NOAA Association of Commissioned Officers

*Catherine L. McGraw*  
Society of Military Widows

*Arthur L. Cooper*  
The Retired Enlisted Association

*Thomas C. Williams*  
Veterans of Foreign Wars

# **Testimony - SB 488 - February 12, 2020**

Uploaded by: Ruehl, Richard

Position: FAV



**HOWARD COUNTY PROFESSIONAL  
FIRE FIGHTERS ASSOCIATION  
I.A.F.F. LOCAL 2000**

5397 TWIN KNOLLS ROAD • SUITE 16 • COLUMBIA, MD 21045

TO: The Honorable Senator Guy Guzzone, Chair  
Members, Senate Budget & Taxation Committee

FROM: Richard L. Ruehl, President  
Howard County Professional Fire Fighters Association

DATE: February 12, 2020

RE: **SUPPORT** – Senate Bill 488 – Income Tax Subtraction Modification – Military and Public Safety Retirement Income

The Howard County Professional Fire Fighters Association, representing more than 400 active and retired professional fire fighters and paramedics who proudly serve the citizens of Howard County, Maryland, fully support Senate Bill 488.

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 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. Furthermore, it 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.

After years of our members retiring out of state, continuing to move the ball forward on income tax subtractions for service-related retirement benefits would be a great 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 the Howard County Professional Fire Fighters Association, we encourage a favorable report on Senate Bill 488.

Submitted respectfully,

Richard L. Ruehl, President  
IAFF Local 2000

**SULLIVAN\_FWA\_SB 488**

Uploaded by: Sullivan, Cara

Position: FWA



**LARRY HOGAN**  
GOVERNOR

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TTY USERS CALL VIA MD RELAY

Chair Guzzone, Vice-Chair Rosapepe, and Members of the Budget and Taxation Committee  
Senate Budget and Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, MD 21401

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

**POSITION: Support with Amendments**

Dear Chair Guzzone, Vice-Chair Rosapepe, Members of the Committee:

The Administration strongly supports Senate Bill 488 - Income Tax - Subtraction Modification - Military and Public Safety Retirement Income. We'd like to thank the sponsor for his sponsorship of the legislation, as well as the members of the committee for your work and leadership on similar tax relief measures.

Senate Bill 488 increases the existing subtraction modification for military retirees age 55 and above from \$15,000 to \$20,000. The legislation also proposes to expand the existing subtraction modification for our hometown heroes--retired law enforcement, correctional officers, and fire, rescue and emergency services personnel--aged 55 and older from \$15,000 to \$20,000. Senate Bill 488 also proposes to make an important change so that hometown heroes retirees who are at least 65 or totally disabled can claim the State pension exclusion for retirement income that is not excluded under the hometown heroes retirement income subtraction. This is how the subtraction modification for military retirees works. It should be the same for both categories of retirees.

The Administration respectfully asks the Committee to consider amending Senate Bill 488 to phase in a full exemption of retirement income attributable to military service or to employment as a law enforcement officer, correctional officer, or fire, rescue or emergency services personnel as proposed in the Administration's Senate Bill 269 and Senate Bill 279.

Allowing those who put their lives on the line for our protection to exempt the retirement income they've earned as a result of their sacrifices will make our State a better place for our hometown heroes and military retirees to live, work, and retire. Not only is this the right thing to do, it will help attract these valuable professionals to our state.

For these reasons, the Administration asks for your favorable with amendments report on Senate Bill 488. For additional details, please contact Cara Sullivan, Deputy Legislative Officer, at 410-974-3336 or [cara.sullivan@maryland.gov](mailto:cara.sullivan@maryland.gov).



**MACo\_UNF\_SB488**

Uploaded by: Kinnally, Kevin

Position: UNF



## **Senate Bill 488**

*Income Tax - Subtraction Modification - Military and Public Safety Retirement Income*

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: February 12, 2020

From: Kevin Kinnally

### **Tax Incentives and Local Government Autonomy**

**Counties are eager and committed partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but welcomes tools to grant counties options and flexibility to pursue their own parallel tax incentives, or to develop others to suit their local needs.**

The General Assembly routinely considers proposals to change tax structures, often seeking to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals often are focused exclusively on the state’s tax structure, but sometimes extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently advocates against statewide solutions that mandate county compliance or otherwise override local decision-making.

Property taxes show the best collaborative way to enact targeted tax relief. The State and its local governments already work together here – where the State routinely grants a state-level tax credit, but then enables county governments to enact their own as a local option.

State proposals that involve local revenue sources can be enacted as “local option” offerings, to allow counties maximum flexibility to achieve local goals. 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 develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to issue an **UNFAVORABLE** report on SB 488.