



## MARYLAND MILITARY COALITION

### HOUSE BILL 361 – SUPPORT

#### Income Tax – Subtraction Modification – Military Retirement Income House Ways and Means Committee February 14, 2020

Madame Chair and members of the Committee, my name is Dave Peterson, and I am here today to represent the Maryland Military Coalition. 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.

#### **The Maryland Military Coalition strongly supports House Bill 361.**

The recent study of employment in the state’s defense industry by Towson University states that the Maryland defense industry “faces[s] a shortage of 7217 qualified workers.” The study emphasized that “fully exempting military pensions from taxation is one policy that Maryland can take to encourage military retirees to reside in and contribute to the state.”

In the Coalition’s view, passage of House Bill 361 is an important “next step” to boost Maryland’s economy by attracting and retaining Uniformed Services’ retirees to the defense industry in our state. We believe the return on investment in phasing out the state tax on military retired pay will be fully repaid by reducing and ultimately eliminating our state’s shortfall in the defense and related industries. In a high employment, competitive national economy it only makes sense for our state to offer meaningful incentives to those whose experience, technical expertise, leadership skills and critical security clearances are in high demand across the nation. Our service women and men have many choices today when they transition to civilian life: New Jersey and Pennsylvania and 29 other states recognize the value of this investment and we believe Maryland should as well.

#### **The Maryland Military Coalition strongly supports enactment of House Bill 361.**

Thank you for the opportunity to present our views before the Committee today.

Respectfully submitted,

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for The Maryland Military Coalition  
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