

HB 371 Tax – Subtraction Modification – Military Retirement Income ((Defense Workforce Opportunity Act)
Favorable
Ways and Means Committee
February 21, 2020

Good Afternoon Chairwoman Kaiser and Members of the House Ways and Means Committee. My name is Tammy Bresnahan. I am the Director of Advocacy for AARP Maryland. AARP Maryland is one of the largest membership-based organizations in the State, with almost 900,000 members, including nearly 200,000 Veterans. On behalf of AARP Maryland, I am here today to support House Bill 371 Subtraction Modification – Military Retirement Income (Defense Workforce Opportunity Act).

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

HB 371 will phase-in the full tax exemption of all military retirement income being fully exempt from Maryland state income taxes beginning after December 31, 2023. The phase-in will occur over four taxable years.

AARP Maryland supports this retirement security initiative as it:

- Honors the Service of our military retirees and retired public safety employees through affording a state income tax subtraction for service-related retirement income;
- Acknowledges their sacrifice by noting that their retirement income represents a small return given that it is earned through the selfless investment of decades of often hazardous service; and
- Makes Maryland a more attractive retirement option for those that have served.

AARP Maryland believes that supporting House Bill 371 is a solid economic move for all Marylanders, not just for our deserving Patriots. We believe that their decades of challenging service devoted to protecting our freedoms and ensuring our safety merit this income tax subtraction.

While we realize that our legislature hears many income tax subtraction-related proposals and must thoroughly consider the impact of their decisions, we believe it would be most unfortunate if those who have served so honorably on our behalf, would, in retirement, choose to live in a different state, due to a more favorable treatment on retirement benefits earned through their service.

AARP Maryland respectfully requests a favorable report for House Bill 371.

For questions or additional information, please feel free to contact Tammy Bresnahan, Associate State Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.

