

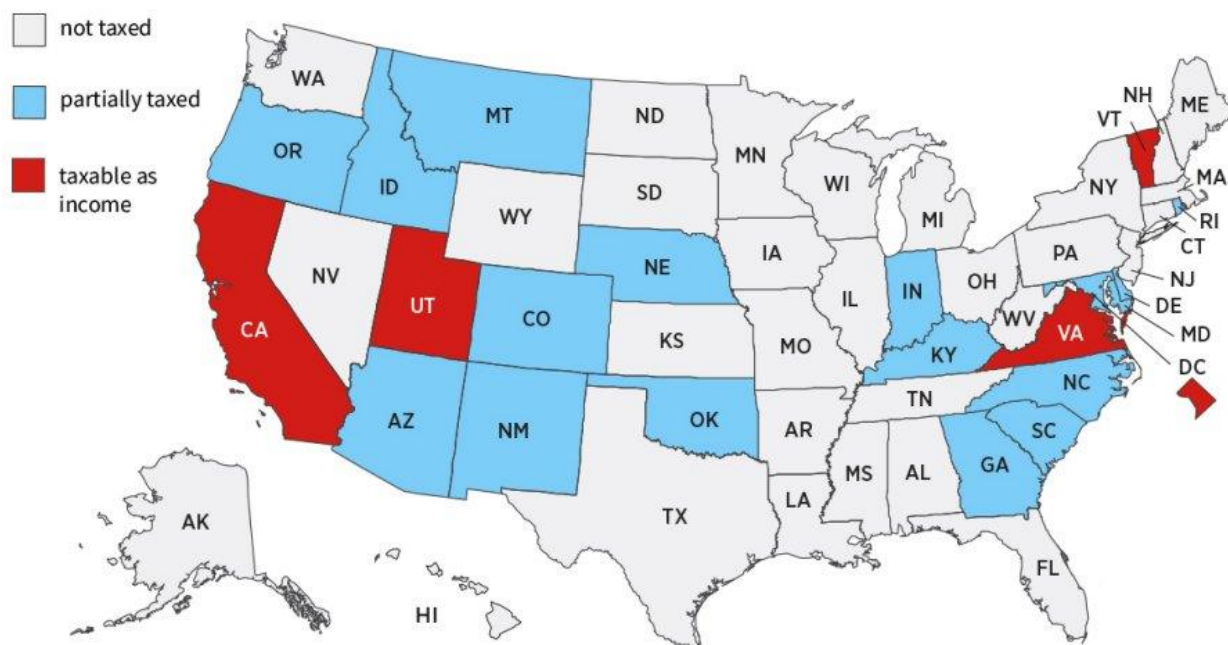
Statement of Jayson L. Spiegel
In Support of HB 0951
Income Tax Subtraction Modification – Military and Public Safety Retirement Income
February 18, 2021

My name is Jayson Spiegel. I am a Gaithersburg resident and retired after 28 years commissioned service in the Army and Army Reserve. I am a former Executive Director of the Reserve Officers Association of America and Deputy Assistant Secretary of the Army for Manpower and Reserve Affairs. In addition, I am the Principal Advisor for Legislative Affairs, and Principal Advisor for Communications for the Maryland Democratic Party Veterans Council. I also chair the Legislative and Policy Committee of the Veterans Democratic Club of Charles County and Vicinity

I am speaking in my personal capacity. Full disclosure - as a retired Army officer currently receiving retirement pay, I would be among those to benefit from this bill.

I urge the passage of HB 0951, which increases the subtraction modification for military and first responder retirement. Expanding the subtraction modification will make Maryland a more desirable place to live for military retirees. It will also encourage retirees to remain in Maryland after age 55, as they begin to contemplate life after completely leaving the workforce.

A majority of states do not tax military retirement. According to the American Association of Retired Persons, 21 states exempt military retirement pay from state income taxes, and nine have no state income tax. Our neighbors in Pennsylvania and West Virginia do not tax retirement pay. Sixteen states have a partial exemption for military retirement income, including Maryland. Four states plus the District of Columbia tax all military retirement pay as income.



Source: Wolters Kluwer Tax & Accounting, and state departments of revenue

<https://www.aarp.org/money/taxes/info-2020/states-that-tax-military-retirement-pay.html>

As the map shows, a majority of states have exempted military retirement income from taxation, positioning them as potentially more desirable retirement locations than Maryland.

A variety of bills are before the General Assembly this session which would exempt from state taxation all or an increased amount of military and first responder retirement pay. There are compelling reasons why the General Assembly should act this year.

Eliminating military retirement from state taxation not only benefits Maryland retired veterans, doing so also benefits the state. The bill incentivizes newly retired veterans to move to or remain living in Maryland. Their spending power benefits local businesses, and their knowledge and experience benefits prospective employers and communities. The bill enables Maryland to compete successfully with other states as a home for military retirees and demonstrates support and appreciation for those who served in the armed forces or as first responders.

I want to thank Delegate Washington for his leadership on this important issue and urge the passage of HB 0951.

Thank you.