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HB 1111 Income Tax – Itemized Deductions
House Ways and Means Committee
Favorable
February 25, 2021

Good afternoon Chairwoman Kaiser and Members of the House Ways and Means Committee. My name is Tammy Bresnahan, Director of Advocacy for AARP MD. AARP Maryland is one of the largest membership-based organizations in the State. AARP MD and its 850,000 members support **HB 1111 Income Tax—Itemized Deductions**. AARP MD thanks Delegate Wivell for introducing this bill.

As you may know, AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security. In particular AARP strongly believes that all individuals have the right to be self-reliant and live with dignity in retirement.

HB 1111 allows an individual to itemize deductions for State income tax purposes without regard to whether or not the individual itemizes for federal income tax purposes. For an individual who itemizes on their State but not federal income tax return, the value of the itemized deductions is calculated as if the individual itemized on their federal income tax return. The bill takes effect July 1, 2021, and applies to tax year 2020 and beyond.

AARP is working hard to strengthen retirement security for all Americans by ensuring that workers and retirees have access to their hard earned and hard saved dollars. This advocacy responds to member priorities as revealed in a recent survey of over 1700 AARP Maryland members sixty (60) percent responded that maintaining their retirement savings should be an AARP legislative priority.

The rising cost of essential necessities, including groceries, utilities, and prescription drugs, is of significant concern for millions of Marylanders, especially for older and retired Marylanders living on fixed incomes. Older Marylanders on fixed incomes clearly feel the effects of inflation more than the rest of us. These retirees bear a disproportionate brunt of drug and medical inflation, which is significantly higher than overall inflation.

Maryland's retirees currently pay federal income taxes, as well as significant state and local income taxes, and motor fuel taxes, sales taxes, and property taxes. A vast number of older Marylanders also fully support or contribute financially to the well-being of their children and

Real Possibilities

grandchildren, as well as act as primary caregivers to their parents and spouses. They also feel that they have limited options for rejoining the workforce and virtually no time horizon to increase their savings so keeping retired dollars are important to their wellbeing.

House Bill 1111 would allow Maryland taxpayers to itemize deductions to compute Maryland taxable income whether or not they itemized deductions on their federal income tax return. Allowing Marylanders to decouple their taxes is the right thing to do. AARP Maryland respectfully requests a favorable report for HB 1111. For questions or additional information, please feel free to contact Tammy Bresnahan, State Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.