

Favorable Testimony

HB0864: Income Tax- Subtraction Modification- Military Retirement Income

Chairwoman Anne Kaiser and honorable members of the House Ways and Means Committee, my name is William A. Speight and I am the current Commander of American Legion Post 196 and President of Fleet Reserve Branch 67. Additionally, I am a retired US Coast Guard service member. I am appreciative and grateful for the opportunity to testify *in support* of House Bill: 0864. This piece of legislation allows for a subtraction modification under the Maryland income tax code for the first \$30,000 of *military retirement income* received by an individual, during the taxable year. However, this subtraction modification is only applicable if that individual has received a determination of a **100% service-connected disability** from the U.S. Department of Veterans Affairs. If a Marylander has paid the ultimate sacrifice in completely disabling their bodily functions to fight for our Nation, the Maryland legislative body has an obligation to collect less of their taxes, as the State has already asked and received so much from them.

A Veteran who received this determination of 100% service-connected disability represents one of the most vulnerable populations in our society. Simply returning home after normal service leaves many Veterans without resources to survive fruitfully. Noting this and then recognizing that these Veterans also have been deemed **100% disabled**, this legislative body can begin to wrap its head around how endangered one with this determination might be. As such, Maryland must ensure that our most vulnerable military Veterans are keeping as much money as possible to survive. HB0864 would allow a Veteran to now write off the first \$30K of their retirement income, which is a substantial and necessary increase from the current \$15K tax break. Putting upwards of \$15k back into the pockets of our 100% service-connected disabled Veterans will have dramatically positive effects for the State of Maryland. These Veterans are looking to spend their money on groceries, rent, medication and survival needs. This means that the \$15k Maryland in not collecting, is likely to go directly and immediately back into the Maryland economy.

This piece of legislation has the potential to support disabled Veterans at unprecedented levels. I can think of people I know who would immediately benefit and have a better capacity for enjoying life if this Bill was passed. For these reasons, I encourage the committee to return a favorable report for HB0864. Thank you.