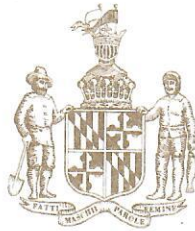


STEPHEN S. HERSHEY, JR.  
*Legislative District 36*  
Caroline, Cecil, Kent, and  
Queen Anne's Counties

—  
Finance Committee

Executive Nominations Committee

—  
Legislative Policy Committee



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*The Senate of Maryland*  
ANNAPOLIS, MARYLAND 21401

February 22, 2022

The Honorable Guzzone  
Budget and Taxation Committee  
Senate Bill 344 – Retirement Tax Reduction Act of 2022

Dear Chairman and Members of the Committee:

Senate Bill 344 would exempt the first \$50,000 of income from taxation for all retirees with less than \$100,000 of federal adjusted gross income. This would phase in over two years starting in 2022 but before January 1, 2024, 50% of the first \$15,000 of eligible income would be exempt. After December 31, 2023 – 100% of the amount of income eligible.

Recent surveys have found that Maryland is **ranked the worst place to retire** based on multiple reasons, with "Affordability and Tax Climate" as the two largest factors.

The rising cost of inflation and essential necessities, including groceries, utilities and prescription drugs are of significant concern for millions of Marylanders, especially for older and retired who are living on a fixed income.

This bill will allow more Maryland retirees to keep their hard earned retirement income and allow them to stay in our state. It's important to try and keep these Marylander's in our state, they contribute to our communities and economy, and they are our volunteers.

This bill is supported by AARP and NARFE.

I request a favorable vote on Senate Bill 344.