



# Commissioned Officers Association

Of the U.S. Public Health Service

## Oral Testimony - Lynn Nash in Support of SB 130 Recommend FAVORABLE Report

Chair Guzzone and distinguished members of the Budget and Taxation Committee. Thank you for the opportunity to testify in **FAVOR** of Senator Jackson's bill, "Income Tax Subtraction Modification – Military and Public Safety Retirement Income," SB 130.

My name is Lynn Nash. I am the Director representing the Commissioned Officers' Association of U.S. Public Health Service, on the Maryland Military Coalition and the Coalition's Communications Director. I'm also a 30-year uniformed service retiree, a PhD prepared nurse and a chem-bio and emergency response subject matter expert who served on National Security Council committees for over 15 years. My position on these committees required a compartmented security clearance.

The U.S. Public Health Service has more than 1,200 active duty and retired officers living in Maryland. Four of our largest duty stations (Headquarters, the National Institutes of Health, the Food and Drug Administration and the Centers for Medicare and Medicaid Services) are located here and many officers who work within the National Capital Region choose to reside here. These officers are highly trained and skilled and most have multiple degrees. The greatest number are healthcare professionals (doctors, dentists, nurses and nurse practitioners and pharmacists), scientists, drug and vaccine developers and reviewers and healthcare policy specialists. I don't need to tell you that Maryland has been experiencing critical shortages in many of these professions, and with COVID, the situation is getting worse.

When I took off my uniform, I chose not to take an SES position or many other six figure offers in the defense industry or live my dream job of becoming nursing faculty in the midst of a critical shortage. Instead, when my husband finishes his federal career soon, we'll sell our house and move somewhere where it is less expensive to live. We have lots of choices you see, as there are 35 states that don't tax military retired pay at all. We'll contribute to the local economy there—not in Maryland.

But I'm not the only one. Of the 20 senior officers who have recently spoken to me about retirement, which is an unusually high number, not a SINGLE ONE is staying in Maryland. You are losing clinicians, scientists, experts in vaccine and policy—brilliant, very highly qualified and experienced men and women who, like me, have successfully completed challenging and often dangerous careers in service to our Nation. Why? They tell me that they don't want to stay and pay taxes on their retirement while earning more in 2<sup>nd</sup> careers.

This is reason why the Maryland Military Coalition strongly supports SB 130, which would raise the current 'income tax subtraction' on military retired pay from \$15,000 to \$20,000, an incremental step toward our goal of fully tax-free retirement income. As recommended in the Townson University report commissioned by your Assembly, the Coalition believes that retired pay taxation exemption should be examined through the lens of its enormous potential to benefit our state's economy by attracting and retaining officers who are leaving service and will start high paying 2<sup>nd</sup> careers where they will pay taxes on their "new income". Retiring service members have the "right stuff" to help lead our economy forward.

The Maryland Military Coalition is a registered non-profit, non-partisan organization with approximately 150,000 members including currently serving, National Guard and Reserves, veterans, retirees, their families, caretakers and survivors.

The U.S. Public Health Service Officers who live in Maryland and the Maryland Military Coalition recommend a **FAVORABLE** report on SB 130, "Income Tax Subtraction Modification – Military Retirement Income," and we thank Senator Jackson for his leadership on this issue. Thank you.