



February 22, 2022

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West - Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 130- Income Tax Subtraction Modification – Military and Public Safety Retirement Income -
FAVORABLE

Dear Chair Guzzone and Members of the Committee,

On behalf of the Fort Meade Alliance, I am pleased to support the referenced legislation and thank Senator Jackson for its introduction.

The FMA is a 501c4 nonprofit with a central mission to support and promote Fort George G. Meade (FGGM) as an economic asset and resource to the region. We play a critical role as a leader in the community, championing and facilitating Fort Meade regional initiatives to remain the first choice for military services, civilian support services and federal departments and agencies. Our frequent interaction with FGGM leadership, the more than 115 government agencies and organizations on Fort Meade and elected government officials demonstrates the Alliance's strength.

Our membership consists of over 280 business members representing over 100,000 employees in the region, including Leidos, Lockheed Martin, Northrop Grumman and many more. Many of these businesses represent manufacturers and information technology industries that recognize the importance of developing and recruiting talent for in computer science, information technology and cyber security.

Senate Bill 130 addresses an ongoing and significant challenge to the ability of defense contractors to secure qualified employees to work in Maryland. Military retirees are a highly educated and sought-after workforce for our Defense Industrial Base. Currently, Maryland has over 20,000 openings in the services and careers that support the missions of our installations. Our retiring military are uniquely qualified for many of those positions. They meet requirements such as related experience and may possess an active security clearance.

From a State Competitive viewpoint, other states close to Maryland impose a lower rate of personal income tax on military retirees or even no state income tax at all. To attract and retain employees at Maryland military installations, the Maryland personal income tax can be a major factor in the prospective employee's decision. Because Maryland is behind other states in reducing the income tax rate on military retirees, it is more difficult to attract them to defense industry jobs in our State.

Senate Bill 130 will not eliminate this problem, but it does offer the prospect of incremental – even substantial – progress toward our goal.

For these reasons, the Fort Meade Alliance respectfully requests a favorable report on Senate Bill 130.

Very truly yours,

Doreen Harwood, President