



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

ORAL STATEMENT IN SUPPORT OF SB 405 Before the Senate Budget and Taxation Committee February 23, 2022

Good afternoon -- Chairman Guzzone and Members of the Committee.

My name is John May.

I am representing the Maryland Military Coalition of 19 uniformed services and veterans' organizations with over 150,000 members in Maryland. The Coalition is a **nonprofit -- all volunteer -- Veterans advocacy group** representing the interests of Maryland Veterans -- Service Members -- their families and survivors.

The Maryland Military Coalition supports SB 405.

Broad based tax relief is not just good for our states' economy, it's also good for our quality of life. Maryland seniors deserve to have peace of mind to know that they can afford to stay right here in Maryland where they have spent their lives working and raising a family and where they continue to contribute so much.

And with struggling families and retirees getting squeezed by inflation and higher costs across the board, there is no reason why we cannot once again put the politics aside to get this done for the people of Maryland and let Marylanders keep more of their hard-earned money in their own pockets.

Maryland has one of the highest costs of living in the nation, which discourages "aging in place" and encourages migration to senior friendly states.

Maryland's tax burden and overall high cost of living also discourages military men and women retiring from active duty from remaining in the state and pursuing second careers here. Very few military personnel can live on their retirement income

alone -- most require a second career. Unfortunately, Maryland's tax burden and cost of living encourages migration to military friendly states -- where most states offer military retirees an immediate 100% tax exemption on their retired pay upon stepping away from active duty.

A legislative goal of the Maryland Military Coalition is 100% elimination of state income tax on military retired pay, as has been regularly advocated in earlier General Assembly sessions. Indeed, it is the object of several bills in THIS session. And, we are strongly in support of related legislation in this session that will move us further toward full exemption of uniformed services retired pay from Maryland State taxation.

SB 405 offers one approach toward the realization of the Coalition's goal -- but for the age and employment restrictions.

The Coalition urges the adoption of legislation to eliminate or significantly reduce taxes on ALL sources of retirement income and allow Maryland to compete aggressively with other more senior friendly, as well as military friendly states.

We support SB 405 on its merits, and we urge a favorable report. Thank you for this opportunity to express that support before the Committee today.