

**MIKE ROGERS**  
*Legislative District 32*  
Anne Arundel County

Economic Matters Committee

*Subcommittees*

Banking, Consumer Protection, and  
Commercial Law

Unemployment Insurance



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**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

February 16<sup>th</sup>, 2022

**Testimony in Favor of HB0461**  
**Income Tax Subtraction Modification - Military and Public Safety Retirement Income**

**Chair Atterbeary, Vice Chair Washington, and members of the Ways and Means Committee,**

I respectfully request a favorable report of HB0461. This bill will increase from \$15,000 to \$20,000 the amount of subtraction modification under the Maryland income tax for individuals who are at least 55 years of age for retirement income received as a result of the individual's military service or attributable to the individual's employment as a correctional officer, a law enforcement officer, or a fire, rescue, or emergency services personnel.

HB461 expands the existing military retirement income tax subtraction modification by increasing to the maximum amount of retirement income that can be excluded to \$20,000. In order to qualify for this modification, the resident must be at least 55.

The bill also expands the existing state subtraction modification for retired law enforcement and correctional officers, as well as fire, rescue, and emergency services personnel by exempting up to \$20,000 in eligible retirement income for residents 55 or older. This expansion is phased in over two tax years beginning in 2023.

Expanding the subtraction modification will make Maryland a more desirable place to live for military, fire, rescue, emergency services, and public safety retirees. It will also encourage retirees to remain in Maryland after age 55, as they begin to contemplate life after completely leaving the workforce.

34 states have fully exempted military retirement income from taxation. A 35<sup>th</sup> state, Nebraska, starts this year which positions all of these states as potentially more desirable retirement locations than Maryland. Expanding the income tax subtraction not only benefits Maryland retired veterans and first responders, it also benefits the state. The spending by this group of retirees benefits local businesses and their knowledge and experience benefits prospective employers and communities.

I respectfully request a favorable report on HB461

Sincerely,

Mike Rogers  
Maryland Delegate, 32<sup>nd</sup> District