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*Charlotte Davis, Executive Director*

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Testimony in Support of  
House Bill 420 - Retirement Tax Elimination Act of 2022  
House Ways and Means Committee  
February 23, 2022

**The Rural Maryland Council supports House Bill 420 - Retirement Tax Elimination Act of 2022.**

The bill will allow a tax subtraction for those receiving old age or survivor benefits from social security and those over 65 that are not fully employed. This subtraction will encourage Marylanders to stay in the State after retirement and bring retirees from other states to Maryland. The subtraction will also help the elderly who are living in poverty and struggling to pay their bills.

The tax elimination will benefit many retirees in Maryland's rural and underserved areas. Rural Maryland has an older and poorer population compared to the urban and suburban parts of the State, meaning that taxes effect this population more than others. Since many older Marylanders are retired from their careers, they now rely heavily on the income received from Social Security, but many must still acquire additional income to make ends meet. These Marylanders have already worked most of their lives but still cannot afford to live out the rest of their lives comfortably. The state tax elimination will allow these lower income elderly Marylanders to live more comfortably as they age instead of worrying about how they will afford to pay their bills or provide for themselves.

The tax elimination will also bring new residents to Maryland to retire and keep current residents in the State after they retire instead of moving to other states where they may live out cheaper retirements. Maryland has both beaches and mountains that make for great retirement locations, unfortunately, many retirees avoid Maryland because of the high rate of taxes that they would pay if they chose to move here. Consequently, the same goes for Marylanders moving out of the State after retirement.

The Rural Maryland Council respectfully requests your favorable support of House 420.

*The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.*

**"A Collective Voice for Rural Maryland"**