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HB 420 Retirement Tax Elimination Act of 2022

House Ways & Means Committee

February 23, 2022

Keiffer Mitchell, Chief Legislative Officer

Chair Atterbeary, Vice-Chair Washington, and Members of the House Ways & Means Committee:

The Governor asks for your favorable report on House Bill 420 - Retirement Tax Elimination Act of 2022. House Bill 420 will be phased in over 6 years to ultimately eliminate all state income taxes for Maryland retirees starting in FY22.

Since the beginning of his administration, Governor Hogan has been dedicated to reducing the tax burden on Maryland citizens. Over the years, many Marylanders, particularly our retirees, have expressed how they love living and working in our great State, however are unable to retire here due to not being able to simply afford the retirement taxes. With the State of Maryland projecting a $2.5 billion surplus, the Retirement Tax Elimination Act provides another opportunity to ease the tax burden and eventually eliminate income taxes on retirees so they can continue to stay in Maryland after retirement.

This bill will allow more Maryland retirees to keep their hard earned retirement income, and allow them to stay in our state, enjoying their retirement years with their family. Our great State needs Maryland retirees to continue to contribute to our communities and our economy, rather than leave for other states with lower retirement taxes.

The Hogan Administration thanks the Committee for your time and consideration to pass House Bill 420 - Retirement Tax Elimination Act of 2022. We look forward to working with you to pass this legislation.

If you have any questions or would like to discuss this testimony further, please do not hesitate to contact me at keiffer.mitchell@maryland.gov or (410) 974-3336.

Sincerely,

Keiffer J. Mitchell, Jr.

Senior Counselor & Chief Legislative Officer