



LEGISLATIVE POSITION:

Favorable

Senate Bill 553 – Keep Our Heroes Home Act

Senate Budget and Taxation Committee

Wednesday, March 1, 2023

Dear Chairman Guzzone and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,400 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 553 increases the subtraction modification for retired military income received by individuals, regardless of their age, under the Maryland tax code. Under the current tax code, military retirees under the age of 55 can subtract the first \$5,000 of their military income and military retirees over 55 are allowed to subtract the first \$15,000 of their military income from their adjusted gross income. This legislation would serve increase the subtraction for all military retirees, regardless of age, to \$25,000 for 2023 and \$40,000 starting in 2024.

Supporting veterans is of utmost importance to the Maryland Chamber and something that needs to be more top of mind for employers. The wealth of knowledge and skills that veterans have from their time in the military is unmatched. Military retirees hold a great deal of knowledge that they pass on to any number of potential employers and are often found continuing their legacy of service by volunteering for Maryland’s charities and schools.

Maryland benefits greatly from the retention of these individuals and this legislation provides our state with a golden opportunity to properly honor those who have served in our armed forces. Allowing an increased subtraction modification will allow us to not only reward military retirees for their sacrifices but allow them to continue their legacy of service at home in Maryland.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **SB 553**.