

**STATE OF MARYLAND  
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TTY USERS CALL VIA MD RELAY

Chair Guzzone, Vice Chair Rosapepe, Members of the Budget and Taxation Committee,

On behalf of Governor Moore, I respectfully ask the Committee for a favorable report on Senate Bill 553, the Keep Our Heroes Home Act. This proposal expands the tax exemption for veteran retirement income from its current, uncompetitive amount up to \$25,000 in 2023 and \$40,000 in 2024 and each year thereafter for all recipients. Altogether, this bill is estimated to save veteran families \$30 million annually. But while those savings are meaningful to the lives of these public servants and their families, the true impact of this proposal can't fully be reflected in dollars and cents.

The Moore-Miller Administration is firmly committed to bolstering Maryland's competitiveness, not just for companies, but for the people that enhance our communities. As is evident when you engage with the veterans community, veterans continue to serve long after they retire from military service. Veterans start small businesses, serve on boards, and bring their talents to companies that are driving Maryland's economy forward. They start families, make friends, and build their lives here in Maryland—but we're losing them to other states. That's because Pennsylvania, West Virginia, New Jersey, and thirty-three other states do not tax military retirement. Although Virginia does not completely exempt military pensions from taxation, the state just recently increased its exemption to \$40,000 beginning in 2025. Veterans are a highly-skilled and sought-after workforce, and states across the nation have recognized the need to keep them home.

The investments proposed in this bill are investments in our business community, our workforce, and the social fabric of our state. With Maryland's economy so tied to military installations, other government facilities, and the businesses activity that they spur, we cannot afford to lose out on keeping them home. In order to thank those who have served to the benefit of us all, I respectfully ask the committee for a favorable report on Senate Bill 553, the Keep Our Heroes Home Act.

Sincerely,

Brad Fallon  
Deputy Legislative Officer