



**Senate Bill 553 -- *Income Tax - Subtraction Modification for Military Retirement Income*  
(*Keep Our Heroes Home Act*)  
Senate Budget and Taxation Committee  
March 1, 2023  
Support**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 553 -- *Income Tax - Subtraction Modification for Military Retirement Income (Keep Our Heroes Home Act)*.

Senate Bill 553 enhances the existing military retirement income tax subtraction modification by increasing, to \$25,000 for tax year 2023 and \$40,000 for tax year 2024 and beyond, the maximum amount of military retirement income that may be exempted from Maryland income tax, regardless of the individual's age. Current law allows individuals aged 55 or older to exempt up to \$15,000 while those are under 55 may exempt \$5,000.

MCCC supports incentives that seek to keep retirees here in Maryland, and in particular working military veterans. This has been a longtime MCCC priority, most notably through efforts of the Montgomery County Chamber Community Foundation's (MCCCF) Veterans Institute for Procurement (VIP) program.

The VIP program is the first free training program for Service-Disabled Veteran-Owned Small Businesses and Maryland Veteran-Owned Small Businesses. Veteran-Owned company "C-level" executives receive 27 hours of comprehensive instruction on how to accelerate their federal government contracting business skills. Over three days, subject matter experts from industry and government provide best business practice strategies and instruction. Most of the executives who graduate from the VIP program are retired military veterans who reside in Maryland.

Maryland's incentives for military retirees to remain here are not competitive with other states. Most other states already exempt military retirement income from their state's taxes. It is imperative that Maryland better compete for military veterans by offering competitive incentives to remain here after retirement, particularly those that will continue working and bring a tremendous entrepreneurship to our State's economy. In turn, keeping more veterans here in Maryland will benefit Maryland's tax base, create jobs, and grow economic activity in the future.

**For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 553 and respectfully requests a favorable report.**

*The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.*

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