

Madam Chairwoman and members of the Committee,

I am David Heredia Jr., a retired Army Chief Warrant Officer with over 22 years of active military service retiring at the age of 39. Thank you for allowing me to speak today on behalf of Maryland's retired military veterans.

Currently a veterans under the age of 55 retiring from the military who reside in Maryland; would have to wait until age 55 before they would receive some type of tax exemption in our state. Though I'm grateful to be able to receive these tax breaks, I believe it would benefit our state by not taxing retired military pay.


Presently, Maryland has a provision for all retirees, or the spouses of military retirees who receive military retirement income, to be able to subtract up to \$5,000, with an increase to the first \$15,000 for individuals who are at least 55 years old on the last day of the taxable year. This is based on military retirement income from federal adjusted gross income before determining your Maryland tax. Though this is a great start, I feel our leaders here in Annapolis can do more for those who made a career out of the military and choose to retire here. Though this is a good incentive to keep retirees like myself in Maryland, many retired veterans choose to go elsewhere like Texas, Pennsylvania, or Florida, where their military retired pay isn't taxed. Some of these veterans who live in Pennsylvania, work with me at Aberdeen Proving Grounds, giving Pennsylvania the benefits that would otherwise be given to Maryland.

This is why H.B 767 will provide Maryland with a golden opportunity to retain many skilled, disciplined, and experienced individuals — but only if our state legislators pass legislation as 35 other states have done. H.B. 767 would exempt military retiree pay from state income tax, enticing career military personnel like me to remain in the state and to pursue second careers here.

This legislative action would make a significant contribution to the state's economy, generating tax revenue from follow-on jobs by the military retirees who remain in our state.

Again, thank you for allowing me to speak to you on behalf of my fellow veterans.

Respectfully,

  
David Heredia, Jr  
CW2 USA, Retired