

SB 553_MDCC_Keep Our Heroes Home Act_FAV (1).pdf

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Position: FAV



LEGISLATIVE POSITION:

Favorable

Senate Bill 553 – Keep Our Heroes Home Act

House Ways and Means Committee

Thursday, March 30, 2023

Dear Chairwoman Atterbeary 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 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 increase the subtraction to \$12,500 of military retirement income for those under the age of 55 and \$20,000 for individuals who are at least 55 years old.

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**.

SB 553 Fallon_Gov. Moore

Uploaded by: Brad Fallon

Position: FAV

**STATE OF MARYLAND
OFFICE OF THE GOVERNOR**



**WES MOORE,
GOVERNOR**

STATE HOUSE
100 STATE CIRCLE
ANNAPOLIS, MARYLAND 21401-1925
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TTY USERS CALL VIA MD RELAY

Chair Atterbeary, Vice Chair Wilkins, Members of the Ways and Means Committee,

On behalf of Governor Moore, I respectfully ask the Committee for a favorable report on Senate Bill 553 - Income Tax - Subtraction Modification for Military Retirement Income, the Keep Our Heroes Home Act. This legislation seeks to retain one of Maryland's most valuable assets, our veterans, by expanding the military pension income tax exemption. As amended, this bill would more than double this exemption for veterans under the age of 55, expanding from \$5,000 to \$12,500. The legislation would also authorize veterans over the age of 55 to increase their exemption from \$15,000 to \$20,000.

Maryland veterans are friends, neighbors, entrepreneurs, talented employees, and lifelong public servants. Unfortunately, due to Maryland's current modest military pension tax exemption, we are losing our veterans to other states in the region. This means that we are losing out on entrepreneurs who start the small businesses that drive our economy. This means that we are losing out on the service-focused friends and neighbors who act as the binding force in our social fabric. And this means that we are losing out on this talented and attractive workforce, making it harder for Maryland to leverage its natural advantages over other states in the region.

While those states are passing on the tax revenue collected directly from military pensions, they are gaining countless societal benefits as veterans stay to work, open a business, or raise a family. When it comes to bolstering our sense of community and attracting businesses with our highly trained workforce, the investments set forth in this bill will provide immediate returns.

For these reasons, the Governor's Office thanks the Committee for passing the House version of this legislation and I respectfully request a favorable report on Senate Bill 553.

Sincerely,

Brad Fallon
Deputy Legislative Officer

SB0553 -- Income Tax - Subtraction Modification fo

Uploaded by: Brian Levine

Position: FAV



**Senate Bill 553 -- *Income Tax - Subtraction Modification for Military Retirement Income*
(*Keep Our Heroes Home Act*)
House Ways and Means Committee
March 30, 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 the maximum amount of military retirement income that may be exempted from Maryland income tax. For individuals under the age of 55 years, the exemption is increased to \$12,500. For individuals at least 55 years old, the exemption is increased to \$20,000.

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 entrepreneurship to our 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.

Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
51 Monroe Street | Suite 1800
Rockville, Maryland 20850
301-738-0015 | www.mcccmd.com

SB 553 Crossover Military Retirement Income _Keep

Uploaded by: David Webber

Position: FAV



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SB 553 Income Tax Subtraction Modification – Military Retirement Income (Keep Our Heroes Home Act)
Ways and Means Committee
FAVORABLE
March 30, 2023

Good afternoon Chair Atterbeary, and Members of the Ways and Means Committee. I am David Webber, Veteran, and resident of Annapolis, Maryland. AARP Maryland is one of the largest membership-based organizations in the state, encompassing over 850,000 members. **AARP MD** supports **SB 553 Income Tax Subtraction Modification – Military Retirement Income (Keep Our Heroes Home Act)** as amended in the Senate. We thank Governor Moore and others for sponsoring this bill. AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to the families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

As amended Senate Bill 553 would benefit retired veterans over the age of fifty-five. Allowing a subtraction of \$20,000 could change the life of a veteran taking home a military retirement pension. It is the first step in supporting these veterans as they leave uniformed services and take a step into the civilian workforce. By increasing the retirement subtraction to \$20,000 the state of Maryland will potentially see an increase in the number of military retirees that are willing to remain in Maryland following their service. AARP believes we must honor the service and acknowledge the sacrifice of our veterans. Senate Bill 553 does so, by providing the beginning steps for military retirees to see a greater level of economic viability.

For these reasons, we respectfully request a favorable report for Senate Bill 553. For questions or more information, please feel free to contact Tammy Bresnahan, Associate State Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451

MD Catholic Conference_FAV_SB0553.pdf

Uploaded by: MJ Kraska

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

March 30th, 2023

SB 553

Income Tax - Subtraction Modification for Military Retirement Income (Keep Our Heroes Home Act)

House Ways & Means Committee

Position: Favorable

The Maryland Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 553 would increase the amount of a certain subtraction modification under the Maryland income tax for certain military retirement income received by individuals, regardless of age, for certain military service and is generally related to a subtraction modification under the Maryland income tax for military retirement income.

Those who are sworn to serve their country in the armed forces are servants of the security and freedom of nations. If they carry out their duty honorably, they truly contribute to the common good of the nation and the maintenance of peace (*Catechism* 2310). Senate Bill 553 seeks to address the respect for the dignity and physical integrity of the human person; working to protect and help the veterans and their families who have bravely fought and served our state and country.

The Conference appreciates your consideration and respectfully urges a **favorable** report for Senate Bill 553.

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Uploaded by: Randy Guy

Position: FAV



SB 553
Income Tax Subtraction Modification for Military Retirement Income
(Keep Our Heroes Home Act)

SUPPORT

March 24, 2023

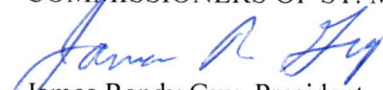
The Honorable Vanessa Atterbeary, Chairman
House Ways and Means Committee
Room 131, House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Chairman Atterbeary:

The Commissioners of St. Mary's County **SUPPORT SB 553** – Income Tax Subtraction Modification for Military Retirement Income (Keep Our Heroes Home Act) which was heard in the Ways and Means Committee.

We support SB 553 and request a favorable report. We appreciate the introduction of this legislation and believe it will benefit the citizens of St. Mary's County. We look forward to working with you on this and other initiatives throughout the session.

Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY


James Randy Guy, President

CSMC/AB/sf
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Cc: Senator Jack Bailey
Delegate Matthew Morgan
Delegate Todd Morgan
Delegate Brian Crosby
Commissioner Mike Alderson, Jr.
Commissioner Eric Colvin
Commissioner Michael Hewitt
Commissioner Scott R. Ostrow
David Weiskopf, County Administrator
John Sterling Houser, Assistant County Attorney

SB0553-WM_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



Senate Bill 553

*Income Tax - Subtraction Modification for Military Retirement Income
(Keep Our Heroes Home Act)*

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: March 30, 2023

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the State's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, enabling county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives but resist state-mandated changes that preclude local input.