

January 31, 2023

The Honorable Vanessa Atterbeary
Chair, Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

Dear Madame Chair Atterbeary and Members of the Ways and Means Committee:

I write today to offer testimony and comment on Delegate Mike Rogers' **HB0015 – Income Tax Subtraction Modification – Military and Public Safety Retirement Income**. DEL Rogers' bill would raise the current \$15,000 state 'income tax subtraction modification' to \$20,000 for retired Uniformed Services and certain public safety retirees.

I am the Immediate Past President of the Maryland Military Officers Association of America (MOAA) Council of Chapters representing nearly 700 members in our nine Chapters statewide and over 11,000 national MOAA members who reside in the state. The MOAA Maryland CoC has sought a full exemption --100% -- of the state's tax on military retired pay for over 25 years.

First, on behalf of all our members I want to commend DEL Rogers for his leadership on this issue during this session and in recent years.

Second, Governor Moore, a combat veteran, has emphasized publicly that Maryland needs to be more competitive with our neighboring states to attract and retain those who have served a full career in uniform. Pennsylvania, West Virginia and New Jersey fully exempt retired military pay from state taxes and Virginia's Governor just proposed the same. Our state has over 20,000 cyber security jobs and hundreds of state jobs going unfilled. Simply put, Maryland must do more to incentivize military retirees (including retirees from the U.S. Public Health Service and NOAA Corps) to live and work here.

Other witnesses testifying in person before you today are submitting compelling background and analyses for the record on the importance of enacting legislation that will benefit our state's economy in regard to this matter. We fully concur on the goal of eliminating the tax.

Although HB0015 is a step in the right direction, we believe more needs to be done this session in accordance with Governor Moore's legislative priorities. To that end, I recommend a **FAVORABLE REPORT WITH AMENDMENT on HB0015**. Such an Amendment would either substitute the text of Gov. Moore's expected

budegetary proposal to raise the 'subtraction' to \$25,000 in 2023 and \$40,000 in 2024; alternatively, I recommend the Committee report favorably on the Governor's bill as a standalone measure when it comes before you. Passage of the Governor's proposal would be a major step towards full exemption of the state's tax in this matter and it would immediately incentivize many relatively young retiring senior non-commissioned officers to make their homes in Maryland and pursue second careers here.

Thank you for your support of all Maryland veterans, their families and survivors.

Respectfully submitted,



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