

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

My name is Tom Jurkowsky. I'm a retired Navy rear admiral who served on active duty for 31 years as both an enlisted sailor and officer. I've lived in Annapolis for almost 30 years.

When I retired from the Navy in 2000, my family and I remained in Maryland for one reason—I got a job here from a company that chose to take advantage of the professional experiences I learned in the Navy. My family and I certainly could not have afforded to remain in here if I wasn't able to start a second career. Quite simply, it was too expensive. My military retired pay alone would not allow me to remain in the state.

Many of my colleagues chose a different direction. After serving in the area, they chose to move to another state after retirement—to states that fully exempted military retired pay from state income tax...states that were much more tax-friendly.

There are currently 38 states that fully exempt military retired pay from their income tax. Maryland does not.

These 38 states understand two important things: One, retired military people bring a wealth of leadership and professional experience to the table that companies and organizations want. Second, by exempting their retired pay, state revenue will still be gained by taxing their new civilian salary.

The states that exempt military retired pay do so as a business decision. They see the value of attracting and retaining military people as a way to take advantage of their leadership, technical and management skills.

Attracting or retaining military retirees in Maryland would clearly help fill some of the 6800 vacant state jobs or 20,000 open cybersecurity positions.

I strongly urge the committee for a favorable vote on Governor Moore's bill with an amendment to exempt 100% of military retired pay as 38 states already do—either all at once or by phasing the exemption in over three years. This will help both attract and retain military personnel to the state and allow Maryland to reap the economic benefits of a much more attractive fiscal landscape.

I have penned two opinion pieces—one that appeared in the Baltimore Banner and another that I've submitted to Maryland Matters on why exempting retired military pay from state taxation is advantageous to Maryland.

Thank you.