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HB 15 Income Tax Subtraction Modification – Military and Public Safety Retirement  
Income  
Ways and Means Committee  
SUPPORT  
2 February, 2023

Good Afternoon Chairman 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 HB 15 Income Tax Subtraction Modification – Military and Public Safety Retirement Income.** We thank Delegate Rogers 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 families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

House Bill 15 would greatly benefit retired veterans over the age of 55. By increasing the income subtraction from \$15,000 to \$20,000 a year the average retired veteran will have increased level of financial freedom, taking some burden off of government programs and institutions, such as the VA. With roughly 377,000 veterans living within the state of Maryland<sup>1</sup>, and 55,793<sup>2</sup> of which receiving a military pension, there will be a measurable impact of the increased amount of money that each veteran receiving military retirement pay would inject into the local economies. Roughly 61% of these military retirees are under the age of 65 and able to rejoin the workforce outside of the military<sup>3</sup>.

In addition to the immediate benefits that the state would see by passing this bill, there would-be long-term benefits as well. If the state of Maryland were to become a more financially friendly location for military retirees, an increased retention of these retirees

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<sup>1</sup> <https://msa.maryland.gov/msa/mdmanual/01glance/html/veterans.html>

<sup>2</sup> <https://actuary.defense.gov/Portals/15/MRS%20StatRpt%202021%20v999.pdf?ver=7Hbl6i-hNc1PVL4T3rtyxA%3d%3d>

<sup>3</sup> *A study of Employment in the State's Defense Industry*, Prepared for the Maryland Departments of Commerce, Labor, and Veterans Affairs, 7 October 2019, Towson University Regional Economics Studies Institute ([https://mgaleg.maryland.gov/cmte\\_testimony/2020/wam/3127\\_02212020\\_11444-58.pdf](https://mgaleg.maryland.gov/cmte_testimony/2020/wam/3127_02212020_11444-58.pdf))

would be seen. This increased retention would serve to further support Maryland's economy. Working age retirees would go on to lead careers outside of the military, with fully taxable income.

AARP believes we must honor the service and acknowledge the sacrifice of our veterans. House Bill 15 does so, by providing greater economic viability for retired veterans and their dependents.

For these reasons, we respectfully request a favorable report for House Bill 15. For questions or additional information, please feel free to contact Tammy Bresnahan, Associate State Director of Advocacy at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.