

SB0422 Testimony - Beryl Blecher.pdf

Uploaded by: Beryl Blecher

Position: FAV

TESTIMONY FOR SB0422

My name is Beryl Blecher and I am a Maryland resident living in Montgomery County. My written testimony is offered on behalf of many friends and former colleagues who like me share the values of Maryland and appreciate the opportunities offered in this state.

I am a retired Foreign Commercial Service Officer. Many people outside of the Foreign Affairs community don't realize that in addition to the State Department, the Department of Commerce and the Department of Agriculture have their own Foreign Services. While all of us work together overseas, we serve different functions and even have the distinct challenge of serving different bosses at the same time: our Ambassador at Post and our home agency back in Washington, D.C. As a commercial officer, my responsibilities included counseling US companies on overseas markets and business practices, identifying business opportunities and representatives for US firms and advocating for US firms bidding on foreign government contracts.

I spent close to 30 years overseas in a range of assignments – most of which were extremely demanding and some even dangerous. For two tours (totaling 6 years), I was in Moscow: first in the chaotic Yeltsin years when during the war in Kosovo, Zhironovsky rallied his tens of thousands of followers to march on the US Embassy compound and even shot RPGs into the grounds in retaliation for the NATO bombing of Belgrade; and then under Putin and his crony Medvedev when President Obama came to Moscow for what had been hoped would be a 're-set' of relations – one of the frostiest visits to Russia of any President. But I wasn't there to record history or snap photos of the mobs, my job was to help US companies win contracts, expand trade, repatriate their earnings and protect their assets from unscrupulous Russian partners, middlemen and government officials.

I also served three years in Croatia and Bosnia Herzegovina not long after the Yugoslav war ended. The US believed that stability would come with economic and commercial progress and integration into the Western alliances. This was long before Croatia joined NATO or the EU. In fact, part of my work was to facilitate the groundwork for those alliances – to make sure there was a rule of law. While Croatia was anxious to move on into the 21st century, Bosnia was left after the Dayton Agreement as a divided country: Republika of Serbska (Serbian)

and the Federation of BiH (Croat and Muslim). And despite the dangers on the ground (the Serbian enclave viewed the US with great hostility), I traveled all over the country to meet business people and promote ties with US companies. In fact, I organized the first federal-level organization in the country – the American Chamber of Commerce in Bosnia Herzegovina.

Not all challenges are related to politics or defense, my five and a half years at the US Mission to the European Union were a lesson in what can be accomplished through patience, perseverance and strategy as I advocated for policies and regulations that protected US interests and kept the markets of the 27-nation bloc open to US business products and companies despite concerns over data privacy, chemicals, monopolies, etc.

The Foreign Service life is far from what is depicted on television or in movies, it is a demanding career serving our country overseas with continuous challenges and personal hardships as we juggle family demands and time lost with aging parents. For these reasons and others, we should be treated the same as military retirees. I urge you to support Senate Bill 0422, sponsored by Senator Jim Rosapepe, which would allow a subtraction modification under the MD income tax for up to \$12,500 of FS retirement income for individuals under the age of 55 and up to \$20,00 of FS retirement income for individuals over 55. This would move Foreign Service retirees closer to parity with military retirees.

This legislation will encourage FS retirees to settle in Maryland where they have natural ties to the social and political arenas and would be located close to many of the organizations, institutions and agencies that they have known over the years.

I thank Senator Rosapepe for sponsoring this bill and I hope my personal story explains the importance of recognizing the dedicated work of US Foreign Service retirees through this bill.

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SB0422 - AFSA Letter of Support.pdf

Uploaded by: Sean O’Gorman

Position: FAV

The Honorable Budget and Taxation Committee
Maryland General Assembly
Annapolis, MD 21401

Dear Committee Members,

I am writing to you on behalf of the American Foreign Service Association (AFSA). AFSA represents some 16,800 U.S. Foreign Service personnel serving overseas and in the United States from six U.S. Government agencies. We are both a professional association and the official bargaining representative for members of the U.S. Foreign Service. Our members include Foreign Service employees from the Department of State, U.S. Agency for International Development (USAID), the Foreign Commercial Service, the Foreign Agricultural Service, APHIS, and the U.S. Agency for Global Media.

In this context, I am writing to urge your support for Senate Bill 422 (SB 422) sponsored by Senator Jim Rosapepe, which would allow a subtraction modification under the Maryland income tax for up to \$12,500 of Foreign Service retirement income for individuals under the age of 55 years and up to \$20,000 of Foreign Service retirement income for individuals at least 55 years and older.

SB 422 would rectify one of the most significant financial burdens commonly cited by members of the Foreign Service upon retirement: taxation of their pensions.

In an ongoing effort to increase U.S. Foreign Service parity with the U.S. military on matters of taxation, the inclusion of retired Foreign Service members under the provisions of SB 422 will be an appropriate and welcome addition. Service in the United States Foreign Service is indeed analogous to service in the United States military; a key difference being that most of one's service takes place overseas. With that, U.S. Foreign Service members are often assigned to dangerous and difficult overseas assignments in support of U.S. national security.

This common-sense legislative update will rightfully enable retired members of the Foreign Service – diplomats, international development experts, and other patriotic professionals who protect the national security of the United States – to move closer to parity with retired members of the U.S. military.

In lieu of retiring abroad or elsewhere in the United States, this change would also attract more former members of the Foreign Service to retire in Maryland.

Thank you for your consideration to support SB 422 during the 2024 legislative session, and I hope this bill becomes state law as soon as possible.

Sincerely,



Sean O'Gorman
Policy Analyst
American Foreign Service Association

SB0422-BT_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



Senate Bill 422

Income Tax - Subtraction Modification - Foreign Service Retirement Income

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: January 31, 2024

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.