

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