



One Park Place, Suite 475 |
Annapolis, MD 21401-3475 1-
866-542-8163 | Fax: 410-895-
0269 | TTY: 1-877-434-7598
aarp.org/md | md@aarp.org |
twitter: @aarpmd
facebook.com/aarpmd

**HB 952 Income Tax - Subtraction Modification – Military
Retirement Income
(Keep Our Heroes Home Act)
House Ways and Means Committee
FAVORABLE
January 24, 2024**

Good afternoon Chair Atterbeary and Members of the Ways and Means Committee. I am Jim Campbell, President Emeritus of AARP Maryland and a former member of the House Ways and Means Committee. AARP Maryland is one of the largest membership-based organizations in the state, encompassing over 850,000 members. We support HB 952 Income Tax - Subtraction Modification – Military Retirement Income (Keep Our Heroes Home Act). We thank Delegate Rogers and the bipartisan group of House members for sponsoring the 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 the families such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

House Bill 952 will over the next three years, both remove the age parameters on and increase the military retirement income subtraction from \$20,000 in taxable year 2024 to 100% in taxable year 2026.

Passage of this legislation will help Maryland join 38 other states who currently exempt military retirement pay from state income taxes. If the state of Maryland were to become a more financially friendly location for military retirees, increased retention of retirees could be possible. This increased retention would serve to further support Maryland's economy. Working age retirees would go on to lead successful careers outside of the military, with fully taxable income

This legislation would be a valuable step in supporting veterans as they leave uniformed services and transition to civilian life and the workforce. With roughly 377,000 veterans living within the state of Maryland, and 55,793 of which receive military pension, there could be a measurable impact of the increased amount of dollars on the state's economy

We frequently hear from those planning to retire or recently retired, "why should I stay in Maryland when 38 other states do not tax military retirement". As of 2023, Roughly 61% of these

military retirees are under the age of 65 and able to rejoin the workforce outside of the military.. According to recent news reports, these former military personnel tend to be excellent employees, higher wage earners who the state should be trying to attract and retain.

AARP believes we must honor the service and acknowledge the sacrifice of our veterans. House Bill 952 Keep Our Heroes Home Act 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 952. For questions or more information, please feel free to contact Tammy Bresnahan, Senior State Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.