

I am a retired Maryland resident and fall in the age group with the highest migration level for leaving Maryland, according to Figure 23 of the "Office of the Comptroller Maryland 2023 State of the Economy" report. Maryland income tax reductions for pensions would be a big part of my decision to remain in Maryland.

Maryland has given income tax breaks to the military, police, and firefighters for years. It is time to give a break to retirees, those most vulnerable to the drastic inflation that we have seen over the past several years.

If retirees move out of Maryland to a more tax friendly state, they will pay \$0 in the future to Maryland.

If HB0674 becomes law, and as a result retirees stay in Maryland, retirees WILL still be paying Maryland:

State income tax - on investment earnings (interest/dividends)

Sales tax

Property tax

Vehicle Registration tax

Gasoline tax

Propane tax

Electrical Energy tax

Cell Phone Service Tax

Internet Service Tax

Licensing fees (driving, fishing, hunting for example)

One of the main reasons why Maryland's economic recovery has been so slow, and is expected to continue to be slow, is because total population growth is declining. According to the latest IRS interstate migration and tax returns gain/loss data from 2020-2021, Maryland ranks 46 out of the 50 states and the District of Columbia. While Maryland continues to see a population decline, states like Pennsylvania, which does not tax retirement income, are seeing increases in population. Other states seeing population increases are Tennessee and Florida, and these states have no state income tax.

Please SUPPORT HB0674 "Income Tax Subtraction Modification Retirement Income"