



**CARRINGTON & ASSOCIATES, LLC**

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## **HB713 – Income Tax – Subtraction Modification for Military Retirement Income – Individuals Under the Age of 55**

### **FAVORABLE**

Carrington & Associates, LLC is writing to express our strong support for House Bill 713, which proposes an amendment to the Maryland income tax law by increasing the subtraction modification for military retirement income for individuals under the age of 55. We believe that this legislation will not only benefit our veterans but also contribute to the overall well-being of the community. We thank Del. Griffith and the co-sponsors of this bipartisan effort.

The key provisions of House Bill 713 include:

1. **Definition of Military Retirement Income:** The bill clearly defines "military retirement income" as retirement income, including death benefits, received as a result of military service. This ensures clarity and specificity in identifying the income that qualifies for the subtraction modification.
2. **Expansion of Subtraction Modification:** The proposed amendment seeks to increase the subtraction modification for military retirement income for individuals under the age of 55. Specifically, the bill raises the threshold from \$12,500 to \$20,000 for military retirement income received during the taxable year.
3. **Inclusion of Various Forms of Military Service:** The bill recognizes a broad spectrum of military service, including induction into the armed forces, membership in reserve components, active duty with specific entities such as the Maryland National Guard, and service with the commissioned corps of certain organizations.
4. **Effective Date:** The proposed legislation is set to take effect on July 1, 2024, and will be applicable to all taxable years beginning after December 31, 2023.

Our organization believes that this bill is a commendable step towards recognizing and appreciating the sacrifices made by our military personnel. By providing a higher subtraction

modification for military retirement income for individuals under the age of 55, Maryland demonstrates its commitment to supporting veterans and military families.

This legislation not only aligns with our organization's values of honoring and supporting our veterans but also contributes to the economic well-being of these individuals as they transition into civilian life. We believe that such initiatives enhance the state's attractiveness to veterans, fostering a sense of community and gratitude.

We urge you to support House Bill 713, as it represents a meaningful and positive step towards acknowledging the contributions of our military personnel and providing them with the financial support they deserve.

Thank you for your attention to this matter.

For the foregoing reasons, we respectfully ask for your favorable report for HB713.

If you would like additional information and/or have any questions, please do not hesitate to contact Darrell Carrington, Managing Director, [darrell.carrington@verizon.net](mailto:darrell.carrington@verizon.net) or 732-763-7398 cellphone.