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TESTIMONY ON HB#/0060- POSITION: FAVORABLE

Income Tax - Subtraction Modification for Military Retirement Income (Keep Our Heroes Home Act)

TO: Chair Atterbeary, Vice Chair Wilkins, and members of the Ways and Means Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#/0060, Income Tax - Subtraction Modification for Military Retirement Income (Keep Our Heroes Home Act)

This bill will increase, from \$20,000 to \$40,000 over a 2-year period, the amount of a certain subtraction modification under the Maryland income tax for certain military retirement income received by individuals, regardless of age, during a taxable year for certain military service. It will honor their service and help veterans, in a fraught economy in which assessments on homes is increasing their tax burden, offset those increases so they can stay in their communities and in their homes.

Maryland can do for our veterans what the Federal Government has failed to do with S.3243 - Tax Cuts for Veterans Act of 2023 ¹, which they continue to fail to pass. That bill would have excluded some income from Federal income taxes for veterans. There is a moral value to treating those who sacrificed and served to protect us and want to have a life in Maryland fairly. We can honor our veterans by indicating through our tax laws that we want them to build that life in our state. We can ensure that, considering increasing assessments, that the burden of taxes doesn't force veterans to move from Maryland to a state that offers these benefits. Virginia is doing this and we don't want or need our veterans to relocate there for the deduction. Maryland can join a group of compassionate states in how we treat our veterans. ²

I respectfully urge this committee to return a favorable report on HB#/0060.

¹ <https://www.congress.gov/bill/118th-congress/senate-bill/3243>

² <https://www.military.com/benefits/military-pay/state-retirement-income-tax.html#:~:text=Maryland%3A%20The%20first%20%2412%2C500%20is,of%20meeting%20the%20eligibility%20requirements>.