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NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES

MARYLAND FEDERATION

**Statement of Paul Schwartz, National Vice President, National  
Active and Retired Federal Employees  
Senate Bill 382  
Senate Budget & Taxation Committee  
February 11, 2026  
Retire in Maryland Tax Relief Act**

I am Paul Schwartz, National Region Vice President of the National Active & Retired Federal Employees – NARFE.

I testify today in support of SB 382

As you all are abundantly aware, Maryland once again faces a budget shortfall.

According to our Comptroller, Brooke Lierman, a significant portion of the decline in revenue can be attributed to a decline in population.

A significant contributing factor to that decline is retirees moving to more tax-friendly states such as Delaware and Pennsylvania and taking their tax money including income tax, sales tax, property tax, fuel tax and, as well, spending power, with them.

SB 382 helps, to some extent, to stem the tide of that senior migration out of our state.

Combine senior migration with Maryland losing some 15,000 federal jobs as a result of the assault on the federal workforce by the Trump administration and its associated impact on Maryland tax revenue – people without jobs don't pay taxes – keeping retirees in Maryland becomes even more urgent.

During the last gubernatorial election year in Maryland, we were able to get passed the Retirement Tax Elimination Act of 2022 which was a major step in the right direction by giving a tax credit of some \$1000 for seniors over age 65 filing single with an adjusted gross income under \$100,000 and \$1750 for seniors over 65 filing jointly with an adjusted gross income over \$150,000.

Senate Bill 382 allows for the graduated ability of eligible, i.e., federal adjusted gross income less than \$175,000 for an individual return and less than \$250,000 for a joint or surviving spouse or head-of-household to claim a credit against their state income taxes. At age 77, the amount of the deduction is set at 25% of one's state income tax, at age 78 at 50%, and at age 79 at 75%. The full amount of the deduction is only reached at age 80.

At least let's do something for seniors starting at 77 years of age as this bill does in this gubernatorial election year.

Accordingly, we fully support passage of SB 382 and not be limited by the short-term impact on revenue per the fiscal note.