

SB271 FAV

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DAWN D. GILE
Legislative District 33
Anne Arundel County

Finance Committee

Chair

Anne Arundel County
Senate Delegation



Miller Senate Office Building
11 Bladen Street, Suite 3 East
Annapolis, Maryland 21401
410-841-3568 · 301-858-3568
800-492-7122 Ext. 3568
Dawn.Gile@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB 271 - Income Tax – Subtraction Modification –
Retirement Income of Fire, Rescue, and Emergency Services Personnel –
Eligibility**

Mr. Chair, Mr. Vice Chair, and Members of the Senate Budget and Taxation Committee:

SB 271 makes a narrow and targeted correction to Maryland’s tax code to ensure that retired District of Columbia fire, rescue, and emergency services personnel who reside in Maryland are treated consistently with other retired public safety professionals under existing law, commonly referred to as the Hometown Heroes Act.

These retirees spent their careers protecting the region—often responding across jurisdictional lines—and many chose to retire in Maryland. Under current law, however, their retirement income is excluded from the subtraction modification that applies to similarly situated public safety retirees solely because their service was rendered in the District of Columbia rather than for the State, a political subdivision of the State, or the federal government. As a result, Maryland’s tax code treats equivalent service differently, and some retirees have been incentivized to relocate to states with more favorable tax treatment.

SB 271 corrects this statutory omission and restores parity among Maryland’s retired public safety professionals.

Background

Maryland’s income tax law currently allows a subtraction modification for the first \$15,000 of retirement income received by a public safety employee who is at least 55 years old.

Retired District of Columbia fire, rescue, and emergency services personnel, however, are not explicitly included, even though their work is functionally identical to that of other public safety professionals already covered by the statute.

As a result, Maryland residents who spent decades serving as DC firefighters and emergency responders are excluded from a benefit designed to recognize the physical demands, health risks, and public service inherent in these professions.

Existing Law

Under §10-207(mm) of the Tax – General Article, eligible public safety retirees may subtract up to \$15,000 of qualifying retirement income from Maryland adjusted gross income, provided they meet the age requirement.

The statute does not clearly include retired fire, rescue, or emergency services personnel of the District of Columbia, resulting in unequal treatment among similarly situated retirees.

Solution

SB 271 resolves this issue by **explicitly including retired District of Columbia fire, rescue, and emergency services personnel within the definition of “public safety employee.”**

Specifically, the bill:

- Clarifies that retired DC fire, rescue, and emergency services personnel qualify for the subtraction modification if they are Maryland residents;
- Maintains all existing eligibility requirements, including the age threshold and the \$15,000 cap; and
- Does not expand the benefit beyond the scope or structure of existing law.

This is a targeted clarification that ensures consistent treatment for retirees who performed equivalent public safety service and live in Maryland.

Fiscal Impact

A fiscal note is currently in preparation by the Department of Legislative Services. SB 271 applies an existing retirement income subtraction modification to a narrowly defined group of public safety retirees and does not alter the cap or structure of the benefit under current law.

Closing

SB 271 aligns statutory language with the policy the General Assembly has already adopted by ensuring parity among retired public safety professionals. It is limited in scope, fiscally disciplined, and consistent with the intent of existing law.

For these reasons, I respectfully request a favorable report on SB 271.

