

SB 382 testimony.pdf

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Position: FAV



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.

Senate Bill 382 Retire in Maryland Tax Relief Act

Uploaded by: Robert Goldberg

Position: FAV



NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES
MARYLAND FEDERATION

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**Statement of the Maryland Federation of
National Active and Retired Federal Employees
Senate Budget and Taxation Committee Hearing, February 11, 2026
On Senate Bill 382 – Retire in Maryland Tax Relief Act**

(Position – Favor)

To: Chair Senator Guy Guzzone
Senate Budget and Taxation Committee

From: Paul K. Schwartz, Robert Doyle, and Robert N. Goldberg
State Legislative Committee
NARFE – Maryland Federation

The Maryland Federation of the National Active and Retired Federal Employees Association (NARFE) urges the Maryland General Assembly to adopt Senate Bill 382, Retire in Maryland Tax Relief Act. Testimony of Robert N. Goldberg on behalf of the State Legislative Committee of NARFE.

The Maryland Federation of the National Active and Retired Federal Employees Association (NARFE) works for legislation in Maryland on behalf of the approximate 300,000 federal employees and annuitants and the more than 800,000 seniors aged 65 and older in the state. One of the principal goals of NARFE Maryland is to reduce the tax burden on seniors living on retirement income. Indeed, Maryland has one of the highest costs of living in the nation, which discourages aging in place and encourages migration to senior friendly states. Other states actively recruit seniors with tax incentives because they recognize the value of seniors as economic engines for job and revenue generation. Thus, nine states do not have any state income tax and 14 states exempt all or part of federal pensions from state and local taxes.

There is a significant cost to Maryland caused by senior migration:

- Seniors who move to other states cannot be taxed.
- A loss of economic activity by seniors who have left Maryland. This also leads to a loss to the Maryland treasury and to a widely held view that Maryland does not have a dynamic economy.
- The amounts of federal grants often depend on a state's population. Thus, Maryland seniors who move out of state impact negatively the amounts of federal grants for Maryland. These grants include SNAP (Supplemental Nutrition Assistance Program) and Medicaid.
- Seniors leaving the state can affect the number of representatives in Congress which depends on a state's population.
- Seniors are a major source of volunteer efforts that enhance the quality of life in Maryland.
- Seniors do not have children in school.
- Seniors vote at a very high rate.

It is clear that Maryland needs to do something about this problem and doing something is in everyone's interest! 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. This legislation brings a very much needed sense of fairness to the Maryland tax codes.

A Fiscal and Policy Note for SB382 is not yet available. However, a Fiscal and Policy note for an essentially similar piece of legislation (SB 207, Income Tax - Octogenarian Credit, 2023 Session) states "sufficient information was not available in time to analyze the effect of this legislation on State revenues." But, it is obvious that this legislation would **encourage younger seniors to remain in Maryland** where they would pay the full amount of Maryland taxes for 12 years and then enjoy some tax relief in their very senior years. The average life expectancy (<https://www.ssa.gov/oact/population/longevity.html.chances>) of a 65-year old individual is 85.6 years. And, the chances of a 65 year old individual living to age 90 is about 24 % (1 in 4). Senate Bill 382 is an incentive for a younger senior to remain in Maryland and it does not cost the Maryland treasury any loss of revenue until the individual is at an advanced age. ***This is a win-win scenario.***

NARFE thanks Senators Watson, Benson, West, Salling, Gile, Bailey, Carozza, Muse, and Jennings for introducing this important bipartisan legislation and is pleased to support it. It would benefit both Maryland and senior citizens.

SB 382_HB 902_ Retire in Maryland Tax Relief Act_

Uploaded by: Trudy Tibbals

Position: FAV

SB 382/HB 902: Retire in Maryland Tax Relief Act: Please vote **TO SUPPORT** this bill.

Dear Budget & Taxation Committee and Ways & Means Committee:

I am writing to express my **strong support for SB 382/HB 902, the Retire in Maryland Tax Relief Act.**

Maryland is losing retirees to other states at an alarming rate, largely because our tax structure makes it **difficult for seniors on fixed incomes to remain here after a lifetime of work.** This bill takes a meaningful step toward correcting that imbalance by providing targeted tax relief that allows retirees to stay in the communities they helped build.

Retirees have already paid decades of income, property, and local taxes. Continuing to tax retirement income at high levels **penalizes savings, discourages long-term planning, and pushes seniors out of the state,** often away from family, support networks, and healthcare providers. **SB 382/HB 902 recognizes that retirement security should not be treated as a revenue source.**

Keeping retirees in Maryland benefits everyone. Seniors contribute to local economies, volunteer in their communities, support small businesses, and provide stability to neighborhoods. When retirees leave, **Maryland loses not only tax base, but experience, civic engagement, and multigenerational families.**

This bill is also about **competitiveness and fairness.** Many neighboring states already offer more favorable tax treatment for retirement income. **Maryland should not be at a disadvantage for those deciding where to spend their retirement years.**

The **Retire in Maryland Tax Relief Act** is a **responsible, pro-growth policy** that **respects** those who have spent their working lives contributing to this state and simply want the ability to remain here with dignity and financial security.

For these reasons, I respectfully urge you to **support SB 382 / HB 902.**

Thank you for your time and thoughtful consideration.

Respectfully,
Trudy Tibbals

SB0382 Testimony.pdf

Uploaded by: Richard Rosa

Position: FWA

SB0382 Retire in Maryland Tax Relief Act

FAVORABLE WITH AMENDMENTS:

Authorize a credit against the State income tax for certain taxpayers who are at least 65 years old.

SB382 - LOI.pdf

Uploaded by: Brooke Lierman

Position: INFO



Letter of Information

Senate Bill 382 – Retire in Maryland Tax Relief Act *Budget & Taxation Committee* *February 11, 2026*

The Comptroller of Maryland is respectfully submitting this letter of information regarding Senate Bill 382 – Retire in Maryland Tax Relief Act. SB382 establishes a scaling tax credit of between 25% and 100% of state income for individuals 77 years of age and older.

Our office is currently in the process of migrating more than 3 million individual taxpayers from our legacy mainframe to our new integrated tax system, Maryland Tax Connect. This migration, currently scheduled for August 2026, is the largest and most complex phase of our years-long modernization project.

SB382 creates a new tax credit and will require updating of forms, instructions, and guidance, as well as programming and updates from our online tax system vendor. In order to ensure a smooth migration to our new tax system, the Comptroller of Maryland respectfully requests that implementation of SB291 be delayed to apply to all taxable years beginning after December 31, 2026.

Thank you for your consideration. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

