



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

March 11, 2026

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Subject: Request for **FAVORABLE Report with AMENDMENTS** – SB0980 – Property Tax – Credit for Dwelling House of Disabled Veterans and Surviving Spouses – Alterations

Dear Chair Guzzone and distinguished members of the Budget and Taxation Committee:

On behalf of the members of the Maryland Military Coalition (MMC), and as a disabled veteran, I write to request a **FAVORABLE report with Amendments** by the Committee on **SB0980 – Property Tax – Credit for Dwelling House of Disabled Veterans and Surviving Spouses – Alterations**, sponsored by Senator Johnnie Ray Salling. This bill would replace the single threshold for federal adjusted gross income for a disabled veteran in Article – Tax – Property, § 9-265 with thresholds for disabled veterans filing either an individual income tax return or a joint income tax return. The bill would also revise the disability ratings in the same Section for 50% and 25% property tax credits to align with Department of Veterans Administration ratings, which are awarded in increments of 10%. While the MMC generally does not take on local issues, we recognize the need to help disabled veterans with property tax assistance, especially in light of rising property values. To date, we have already worked with at least four jurisdictions to implement the original enabling legislation, with additional jurisdictions seeking recommendations on how to best proceed in their area. To date, we understand that Anne Arundel, Frederick, Montgomery and Washington Counties have enacted the current version of § 9-265 or some other version of property tax credits for disabled veterans with ratings of less than 100%.

Article – Tax – Property, § 9-265 currently states that a property tax credit for a dwelling house owned by a disabled veteran could be granted if the individual's federal adjusted gross income does not exceed \$100,000 for the immediately preceding taxable year. This section of the Code was originally enacted and passed into law in 2020. Per Federal Reserve data, in 2020 the median federal adjusted gross income in Maryland was \$51,053, and per capita personal income was \$64,840. Both numbers continued to rise to \$63,500 and \$74,945, respectively, in 2023, the latest year data is available.¹ As currently written, the Code penalizes a married disabled veteran who files a joint income tax return as the federal

¹[Federal Reserve Bank of St. Louis - Median Adjusted Gross Income for Maryland](#)

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adjusted gross income for both exceeds \$100,000 in virtually 100% of returns. Including a provision for a disabled veteran filing a joint tax return, as SB0980 does, is the right step to take for these individuals and is long overdue. These veterans have been, and are, as deserving as those who have been granted this property tax credit since the law was enacted in 2020.

However, rather than continue to periodically pursue “cost-of-living” updates to this legislation, this body could, and should, utilize an income threshold that is indexed and reflective of the differences in income found throughout the state. During Montgomery County hearings on implementing the original § 9-265 enabling legislation, in testimony, many stated that the current income threshold was too low. The Montgomery County Commission on Veteran Affairs, the Commission on Aging and the Chamber of Commerce offered that a more reasonable approach would be to use the Area Median Income as the threshold.

“...Rather than granting eligibility based on a fixed amount reflecting an individual Veteran’s income, the CoA supports an amendment “establish[ing] income eligibility criteria based upon Area Median Income (AMI)...”

**David Engel, Montgomery County Commission on Aging
Written testimony, Bill 6-24, June 14, 2024**

“Housing and financial assistance have remained top needs among Montgomery County’s veterans over the past 12 years. This year [2024], 28% of our clients reported needing housing support, up from 18% in the past year, and 11% needed income support to help them maintain stable housing. This tax credit will alleviate the financial burden on our veterans, helping them afford basic necessities like housing, food and child care. Affordability is a major challenge in Montgomery County, and veteran families like mine who sacrificed so much for our country should not have to struggle to hold on to homes.”

**Amse Heck, EveryMind
Oral Testimony, Bill 6-24, June 14, 2024**

Area median income — often referred to as simply AMI — is a key metric in affordable housing, which includes veterans “aging in place”. According to the National Institutes of Health², “aging in place” is the ability to stay in your own home, to maintain independence for as long as possible, and to turn to family and friends for help when needed”. Area median income is defined as the midpoint of a *specific area’s* income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). HUD refers to the figure as MFI, or median family income. Maryland uses the term “household income”.

² [Aging in Place: Growing Older at Home.](#)

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When the original § 9-265 legislation was written in 2020, the Area Median Income or Household Income for Maryland was \$94,790, considerably higher than the United States, which at that time was \$68,010³. According to the U.S. Census, Maryland continues to be high-cost, having the third highest median household income among all of the states for 2024 (the most recent data available). However, based on the diversity of rural farm land areas versus more urban and high-density, industrialized areas, AMIs differ vastly across Maryland jurisdictions. They range from a low of \$89,100 to a high of \$162,000 (Table 1). When individual AMIs are considered, **16 out of 24 or 67% of all Maryland jurisdictions exceed the current \$100,000 threshold**. It is noteworthy that ***the Counties with the largest numbers of disabled veterans are the counties with the highest AMIs***, demonstrating that an amended bill would have a significant impact on the largest number of disabled veterans.

Why This Change to AMI is Important: Veteran income can be a combination of military retired pay, if earned, retirement from a second and even third employment and their disability pay. For senior veterans, this can also include social security.

Retirement. Most retired veterans complete 20 years of service, the minimum number of years of service to receive a retirement, unless receiving a medical discharge and retirement. However, many service members go on for 25 or 30 years of service, earning 50%, 62.5% or 75% of their base pay (Table 2). If a veteran joined a service at age 21, and retires at 20 years, the veteran has another 20 or more years to work. Second or third careers with resulting retirements is not uncommon in disabled veterans.

Veterans Disability Pay. Disability Pay is based on the veterans rating and the number of dependent family members (Table 3).

Why Most Veterans Exceed the Current Threshold. A senior enlisted, serving 30 years, a mid-grade officer serving 25 years or a senior officer serving only 20 years, with disability pay and social security, would exceed the federal adjusted gross income in most areas of the state, even without a civilian retirement pay. The current threshold would, however, be ***insufficient to cover the cost of living*** in most areas of the state, leaving veterans vulnerable for affording basic necessities like housing, food, utilities, medical and child care.

Moving the current threshold from the Federal Adjusted Gross Income, or “how much you make”, to the Area Median Income, or “how much it takes to live in the area where you retire”, is critical given the continued increase in property values throughout the state, as is my experience in Montgomery County and other high-cost counties, as well as the desire of many disabled Veterans to remain in their homes. Inflation has significantly eroded the spending power of disabled veterans. Amending SB 970 to include AMI as the income threshold, bolsters the ability to keep disabled veterans, most on a fixed income, here in Maryland, where they can live and thrive in their communities.

³ [Maryland Economy at a Glance.](#)

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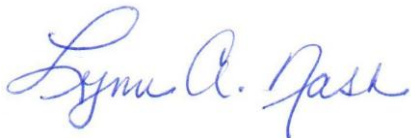
SB0980 is an important recognition of the sacrifices made by veterans who become disabled while serving our country. The bill would lessen the financial burden on disabled veterans and increase the likelihood that they can remain in the homes they have occupied for many years. Specifically, the Montgomery County Commission on Veterans Affairs asked when the County bill, 6-24 passed, that “the County Council work to get the law changed at the state level to update the disability ratings income caps and estimated value of the home”. **This requested amendment does just that.**

The Maryland Military Coalition ***strongly supports*** SB0980, however, we feel that the legislation would be ***more impactful for disabled veterans if AMENDED to include AMI as the income threshold.*** Therefore we ask for a **FAVORABLE report with Amendments** from the Budget and Taxation Committee.

The Maryland Military Coalition is a registered non-profit, non-partisan advocacy organization comprised of 22 prominent Maryland-based veteran and military groups. It represents over 150,000 service-connected individuals, including those currently serving, veterans, retirees and their families, caregivers and survivors. For further information please visit our [website](#).

We wish to thank Senator Salling for sponsoring this very important legislation and for his continued support of the uniformed services community in Maryland.

Respectfully,



Lynn A. Nash, PhD, RN, PHCNS-BC, FAAN
CAPT (R), U.S. Public Health Service
Communications Director

4 Attachments:

1. Table 1—FY24 Va Disability Compensation Recipients/Area Median Income by MD County.
2. Table 2—Average Military Retired Pay (Gross) —“High 3” Retirement System
3. Table 3—Annual VA Disability Payments 2026
4. Member Organizations of the Maryland Military Coalition

Table 1—FY24 VA Disability Compensation Recipients/Area Median Income by MD County

This report provides county-level estimates of the number of Veterans who received VA Disability Compensation benefits during fiscal year 2023. It includes the Veterans' total service-connected disability (SCD) rating, age group, and gender. Blank values represent small cell counts that have been suppressed to protect the identity of Veterans. In the "Total: Disability Compensation Recipients" column, each blank cell represents less than 10 Veterans. Some categories may not sum to the total due to missing information (e.g., age, gender, etc.).

Source: [Department of Veterans Affairs, Office of Enterprise Integration, USVETS24 data and Veterans Benefits Administration VETSNET FY 2024 compensation data.](#)

Prepared by National Center for Veterans Analysis & Statistics, www.va.gov/vetdata.

FIPS code	County Name	Total: Disability Compensation Recipients	SCD rating: 0% to 20%	SCD rating: 30% to 40%	SCD rating: 50% to 60%	SCD rating: 70% to 90%	SCD rating: 100%	Area Median Income 2025 ¹	
								In Dollars	Special Focus Areas
24001	Allegany	1,042	234	157	147	264	240	\$93,700	Rural/ LiT
24003	Anne Arundel	17,928	2,855	2,115	2,321	5,424	5,213	\$93,700	Rural/ LiT
24005	Baltimore	9,475	1,946	1,163	1,267	2,692	2,407	\$130,300	HO
24009	Calvert	3,225	546	361	410	963	945	\$145,200	HC / HO
24011	Caroline	480	117	59	61	138	105	\$93,700	Rural/ HO
24013	Carroll	2,748	589	366	381	789	623	\$130,300	Rural/ HO
24015	Cecil	2,290	450	259	248	668	665	\$119,400	HO
24017	Charles	8,137	1,074	784	910	2,343	3,026	\$162,000	Rural/ HC/HO
24019	Dorchester	519	86	69	73	157	134	\$93,700	Rural/ HO
24021	Frederick	5,491	1,067	620	715	1,637	1,452	\$162,000	HC/ HO/ LiT
24023	Garrett	437	86	59	60	112	120	\$93,700	Rural/ HO
24025	Harford	6,272	1,066	698	791	1,841	1,876	\$130,300	HO
24027	Howard	5,194	937	657	706	1,518	1,376	\$130,300	HO
24029	Kent	265	58	42	36	58	71	\$113,000	Rural
24031	Montgomery	9,759	1,868	1,307	1,218	2,855	2,511	\$162,000	HC/ LiT/ Min
24033	Prince George's	21,554	3,232	2,125	2,389	6,182	7,626	\$162,000	HC/ LiT/ Min/HO
24035	Queen Anne's	909	192	116	136	249	216	\$130,300	Rural/ HO
24037	St. Mary's	5,763	998	722	834	1,709	1,500	\$145,200	Rural
24039	Somerset	369	57	43	45	130	94	\$89,900	Rural/ Min
24041	Talbot	521	128	61	77	146	109	\$115,000	Rural/ HO
24043	Washington	2,597	568	355	358	706	610	\$95,400	None
24045	Wicomico	1,488	274	159	217	481	357	\$89,900	None
24047	Worcester	844	161	117	98	268	200	\$111,000	Rural/ HO
24510	Baltimore City	6,282	1,313	764	849	1,828	1,528	\$130,300	Persistent Pov.
	Totals	113,589	19902	13178	14347	33158	33004		

¹ [Fannie Mae Area Median Income Lookup Tool](#) LiT = Low Income Tracts HC = High Cost HO = High Opportunity Min=Minority Tracts

Table 2—Average Military Retired Pay (Gross) 2026—"High 3" Retirement System

Grade	20 Years		25 years		30 years	
	Month	Year	Month	Year	Month	Year
Senior Officer O-6	\$6,876	\$82,507	\$9,049	\$108,594	\$11,556	\$138,675
Mid-Grade Officer O-4	\$5,255	\$63,059	\$6,569	\$78,824	\$7,882	\$94,589
Senior Enlisted E-9	\$4,053	\$48,631	\$5,472	\$65,675	\$7,298	\$87,576
Mid-Grade Enlisted E-5	\$2,211	\$26,530	\$2,385	\$34,489	\$3,316	\$39,795

Source: U.S. Department of Defense, 2026 Pay Chart

Table 3—Annual VA Disability Payments 2026

Rating	50%	60%	70%	80%	90%
Single	\$13,595	\$17,220	\$21,701	25,226	\$28,348
Spouse	\$14,910	\$18,801	\$23,535	\$27,325	\$30,712

Source: U.S. Department of Veteran Affairs, [2026 Veteran Disability Compensation Rates](#)



Member Organizations of the Maryland Military Coalition

Air Force Sergeants Association

American Military Society

American Minority Veterans Research Project

Association of the United States Navy

Commissioned Officers Association of the U.S. Public Health Service

Disabled American Veterans

Fleet Reserve Association of Annapolis

Jewish War Veterans of the U.S.A

Maryland Air National Guard Retirees' Association

Maryland Veterans Chamber of Commerce

Military Officers Association of America

Military Order of the Purple Heart

Military Order of the World Wars

Montford Point Marines of America

National Association of Black Veterans

National Association of Retired Federal Employees, Maryland Veterans

Naval Enlisted Reserve Association

NOAA Association of Commissioned Officers

Platoon 22

Reserve Organization of America

Society of Military Widows

Veterans of Foreign Wars