



House Bill 857 -- *Income Tax - Subtraction Modification for Military Retirement Income - Individuals Under the Age of 55*
House Ways and Means Committee
February 19, 2026
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports House Bill 857 -- *Income Tax - Subtraction Modification for Military Retirement Income - Individuals Under the Age of 55*.

House Bill 857 increases the value of the military retirement income tax subtraction modification for individuals younger than age 55 from \$12,500 to \$20,000.

MCCC supports incentives designed to retain retirees in Maryland, particularly working military veterans. This has long been a priority for MCCC, most notably through the Montgomery County Chamber Community Foundation's Veterans Institute for Procurement (VIP) program.

The VIP program is the first free training program for Service-Disabled Veteran-Owned Small Businesses and Maryland Veteran-Owned Small Businesses. Veteran-Owned company "C-level" executives receive 27 hours of comprehensive instruction on how to accelerate their federal government contracting business skills. Over three days, subject matter experts from industry and government provide best business practice strategies and instruction. Most of the executives who graduate from the VIP program are retired military veterans who reside in Maryland.

Despite this strong foundation, Maryland's incentives for military retirees remain less competitive than those offered by many other states, several of which fully exempt military retirement income from state taxes. To attract and retain military veterans, particularly those planning to remain in the workforce and continue contributing to Maryland's economy through entrepreneurship, Maryland must strengthen its incentives.

Retaining more veterans would boost Maryland's tax base, support small business formation, create jobs, and drive long-term economic growth. Enhancing these incentives would send a clear signal that Maryland is committed to supporting those who have served our nation and who continue to serve our communities through business leadership and innovation.

For these reasons, the Montgomery County Chamber of Commerce supports House Bill 857 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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