



February 17<sup>th</sup> 2026

**Re: SUPPORT for House Bill 857- Income Tax Subtraction Modification for Military Retirement Income (Individuals Under Age 55)**

Dear Chair Wilkins and Members of the House Ways and Means Committee:

On behalf of the Harford County Chamber of Commerce and our diverse membership of employers, workforce partners, and civic stakeholders, we are pleased to offer our strong support for **House Bill 857**.

**House Bill 857** would increase the Maryland income tax subtraction modification for military retirement income for individuals under the age of 55, raising the amount from \$12,500 to \$20,000 for taxable years beginning after January 1, 2026. This change would expand tax relief for younger military retirees and recognize their service and economic contributions to our State.

Harford County is home to Aberdeen Proving Ground, a major military installation and economic engine that supports thousands of service members, civilian employees, contractors, and families. Many active-duty personnel transition into military retirement at ages younger than traditional retirement, and policies that provide meaningful tax relief help ensure that Maryland remains a competitive and attractive place for military retirees to live, work, and invest. Supporting this population aligns with our broader goals of workforce retention, community stability, and economic growth.

From the business community’s perspective, **HB 857** will:

- Strengthen workforce retention: Military retirees often transition into the civilian workforce, bringing valuable skills, leadership, and experience that benefit local employers across sectors. Reducing the tax burden on younger retirees encourages them to remain in Maryland communities, including Harford County.
- Enhance regional economic competitiveness: Expanding the retirement income subtraction positions Maryland more favorably relative to other states that already provide robust tax benefits for military retirees, aiding in talent attraction and retention.
- Support families and community investment: Military households contribute to local economies through housing, consumer spending, entrepreneurship, and civic engagement. Increasing tax relief enhances financial stability for these households and fosters deeper community roots.

The Harford Chamber commends the sponsors of **HB 857** for prioritizing policies that recognize military service and support Maryland’s long-term economic vitality. We respectfully

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Angela Rose

request a favorable report on **HB 857** and urge the Committee to advance this legislation that reinforces our State's commitment to service members, veterans, and their families.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Angela M. Rose". The signature is written in a cursive style with a light blue horizontal line underneath it.

**Angela M. Rose**  
**President & CEO**  
**Harford County Chamber of Commerce**

