



MARYLAND MILITARY COALITION

SENATE BILL 211 - SUPPORT

Senate Bill 211 - Income Tax - Subtraction Modification - Military Retirement Income
Senate Budget and Taxation Committee
January 22, 2020

The Maryland Military Coalition is a **nonprofit, all volunteer, Veterans advocacy group** representing the interests of Maryland Veterans, Service members, and their Families. Our alliance consists of sixteen organizations, listed on the following page, with over 100,000 members. We represent about one-fourth of Maryland's Veterans, Service members, and their Families.

The Maryland Military Coalition **supports Senate Bill 211.**

The Maryland Military Coalition believes that our military retirees deserve to receive their retirement income free from state taxation. Dozens of other states agree, including neighboring West Virginia and Pennsylvania.

This legislation will also serve as a catalyst for Maryland's defense industry, which loses thousands of jobs each year due to lack of qualified candidates. **An influx of newly retired Service members, seeking second careers, could fill most, if not all, of these jobs.**

According to the recent study by Towson University's Regional Economic Studies Institute, each year, Maryland's defense industry faces a shortage of 7,000 skilled workers. My review of sixty recent defense job postings noted a mean income of \$87,000. What could that mean to Maryland?

- 7,000 jobs filled at that mean income yields \$609 million in individual income
- At Maryland's 10.9% state-local tax burden, that yields over \$66 million in tax revenue

Based on Towson's report, each military retiree household creates additional jobs, economic output, employment compensation, and state and local taxes. Using Towson's figures, if those 7,000 jobs were filled by newly arrived military retirees, creating 7,000 additional military retiree households, it would generate:

- 5,110 additional jobs
- Over \$800 million in additional output
- Over \$230 million in additional employment compensation, and
- Over \$52 million in additional state and local taxes

Senate Bill 211 increases the retirement security of military retirees no longer working.

It will also attract new generations of military retirees who will keep Maryland's defense industry vibrant, generate significant economic growth, and help ensure the survivability of Maryland's military bases in the event of another base closure and realignment effort.

We respectfully request a favorable report for Senate Bill 211.

For questions or additional information, please feel free to contact me at
BTSmith1184@outlook.com or by calling 703.623.3678

Member Organizations, Maryland Military Coalition

James P. Monahan
Air Force Sergeants Association

Stacy P. May
American Military Society

Lynn A. Nash
Commissioned Officers Association of the
US Public Health Service

Wilbert B. Forbes
Disabled American Veterans

Sheldon Goldberg
Distinguished Flying Cross Association

Pleasala J. Collins
Fleet Reserve Association

Evan A. Buttrick
Jewish War Veterans of the USA

Steve L. Bloodgood
Maryland Air National Guard Retirees'
Association

Harvey Kaplan
Military Officers Association of America

Charles Egbert
Military Order of the Purple Heart

Mervyn Rice
National Association for Black Veterans

Michael P. Hays
Naval Enlisted Reserve Association

Christian Andreasen
NOAA Association of Commissioned Officers

Catherine L. McGraw
Society of Military Widows

Arthur L. Cooper
The Retired Enlisted Association

Thomas C. Williams
Veterans of Foreign Wars