



April 8, 2015

The Honorable Sheila E. Hixson
Chair, House Ways and Means Committee
131 House Office Building
Annapolis, MD 21401

Dear Chairwoman Hixson:

SB 592, as amended by the Senate, expands an existing military retirement income tax subtraction modification from \$5,000 to \$10,000 for military retirees at least 65 years of age. MACo has formally withdrawn its previous opposition, and now takes **NO POSITION** on this bill as amended.

As introduced, SB 592 would have fully exempted military retirement income from the State income tax over a four year time frame. MACo raised objections with the bill in this form as it would have resulted in significant loss in local revenue during the phase-in period without any local action or input. MACo would prefer approaches that provide local governments the autonomy to determine the best way to provide tax incentives, rather than mandate reductions in local revenue sources.

SB 592 as amended, offers a more reasonable approach for addressing this issue and minimizes the revenue loss to the State and local governments. Accordingly, MACo has withdrawn its previous opposition, and now takes **NO POSITION** on SB 592 as amended.

Thank you for your consideration. Please contact me if I can provide any additional information.

Sincerely,

Andrea Mansfield
Legislative Director

CC: Members, Ways and Means Committee, Maryland House of Delegates