



Maryland Retired Veterans Task Force

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January 27, 2015

Governor Lawrence J. Hogan, Jr.
100 State Circle
Annapolis, Maryland 21401

Dear Governor Hogan,

On behalf of the Maryland Retired Veterans Task Force (MRVTF), we are pleased to provide you a "Study on Increasing State Tax Revenue by Retaining and Attracting Retired Military Service Personnel." It is an update and expansion of a study originally conducted in 2003 under direction of Senate Bill 280 to perform a detailed analysis of the potential benefits and impact of exempting military retired pay from Maryland State income taxes.

This study's results have enhanced importance due to the recent increases in economic competition among states in our part of the Nation, coupled with ongoing departures of numbers of wealthy residents due to increasing State taxes and tax rates on businesses and individuals (i.e., "tax flight"). The current MRVTF recommendation, if implemented, will not only confirm Maryland's commitment to veterans and their families, but will recognize their current value to our State, coupled with the increased economic force that they can be to benefit all the citizens of Maryland.

The MRVTF is confident that passage of legislation that immediately expands the current \$5,000 exemption to a full exemption of retired pay for all seven Uniformed Services will result in the State's ability to attract and retain additional highly qualified and skilled military retirees who will offset "tax flight" over the next three years and beyond. There currently is no other State program in place to provide this essential balance for retiring military personnel who have to make economic decisions about where they will be living and committing to their second careers.

The MRVTF expresses our appreciation to the staff of the Office of the Comptroller of Maryland for all the support and technical assistance we have received, and to the personnel at the various Maryland military installations who assisted with this study. It has been our pleasure to work on behalf of the State of Maryland and all its citizens -- to include its entire military veterans community.

Sincerely,

A handwritten signature in black ink that reads "John W. Fringer, Jr." in a cursive style.

John W. Fringer, Jr.
U.S. Army (Retired), Co-Chairman

A handwritten signature in black ink that reads "Arthur L. Cooper" in a cursive style.

Arthur Cooper
U.S. Army (Retired), Co-Chairman