

Welcome!

4th ANNUAL LEGISLATIVE LISTENING SESSION



Maryland Military Coalition

The Maryland Military Coalition

- Currently 22 **veteran and military groups** representing over 150,000 service-connected individuals
 - Active duty and their families
 - Retirees and their families
 - Veterans and their families
 - Survivors
 - Caregivers
 - Guard/Reserve
- A registered **non-profit, non-partisan advocacy organization**
- Seeks to **protect** and **enhance** the **well-being** of the **total military community** in Maryland



MD Military Coalition Members

- Air Force Sergeants Association
- American Military Society
- American Minority Vets Research Project
- Association of the U.S. Navy
- Commissioned Officers Association of the US Public Health Service
- Disabled American Veterans
- Fleet Reserve Association -- Annapolis
- Jewish War Veterans of the U.S.
- MD Air National Guard Retirees Association
- MD National Association of Retired Federal Employees Veterans Committee
- MD Veterans Chamber of Commerce
- Military Officers Association of America
- Military Order of the Purple Heart
- Military Order of the World Wars
- Montford Point Marines of America
- National Association of Black Veterans
- Naval Enlisted Reserve Association
- NOAA Association of Commissioned Officers
- Platoon 22
- Reserve Organization of America
- Society of Military Widows
- Veterans of Foreign Wars



MMC's 2026 Legislative Goals

- Protect Maryland veterans from claim predators
- Eliminate the age restriction and state income tax on uniformed services retirement pay
- Expand the eligibility of the Maryland Veterans Trust Fund to include members of the Reserve and their families
- Expedite professional licensure and certification of spouses of uniformed services members
- Establish a Maryland Women's Veterans Memorial



MARYLAND AND THE MILITARY COMMUNITY



Maryland Military Coalition

Maryland and Defense Spending*

Home to 20 military facilities

- Ranks 6th in total Defense spending; as high as 4th
- Ranks 7th in Defense spending as a percentage of State GDP; as high as 4th
- Ranks 6th in Defense contract spending; as high as 5th
- Ranks 5th in Defense personnel spending; as high as 4th
- Ranks 8th in total Defense personnel (95,524)¹
 - Active duty – 28,920; Guard and Reserve – 18,056
 - Civilian – 48,548

* Source: Defense Spending by State, Fiscal Years 2019-2023, DoD Office of Local Defense Community Cooperation, as of 9/30/23

¹ Includes all active duty, civilian, National Guard, and Reserve personnel by assigned duty location as of 12/31/24, DMDC



Maryland Military Coalition

Maryland Military Demographics*

State residents (DoD only) include:

- 36,430 active-duty service members
- 13,779 active-duty spouses
- 26,580 active-duty children
- 25,978 National Guard and Reserve members
- 10,392 National Guard and Reserve spouses
- 16,786 National Guard and Reserve children
- **52,025 military retirees; 6,321 survivors¹**

360,098 veterans

* As of December 31, 2024, <https://statepolicy.militaryonesource.mil/state/MD>

¹ As of December 31, 2023, <https://actuary.defense.gov/>



Maryland's Fiscal Condition

Forecast Summary and Risks

- Federal spending and employment reductions continue to impact Maryland and the region
- Federal and State tax legislation enacted in calendar 2025 increase uncertainty
 - Personal income tax is impacted by both
 - State legislation expanded the sales tax
 - New or expanded taxes are particularly difficult to estimate

General Fund revenue forecasted to grow
3.6% in FY26 and only 1.7% in FY27



2026 LEGISLATIVE GOALS



Maryland Military Coalition

PROTECT MARYLAND'S VETERANS FROM CLAIM PREDATORS



Maryland Military Coalition

The Issue

What legislation can be enacted that will protect veterans from the deceptive practices of claim predators and survive any legal challenges on First Amendment or other constitutional grounds?



Why Regulate These Companies

- ***No federal criminal penalties*** associated with non-accredited individuals and companies charging fees to help veterans file claims ***since 2006***
- Growth of these companies has exploded since the PACT Act of 2022
- ***Non-accredited*** individuals and companies ***unable to be held accountable*** for defrauding veterans
- ***States*** must step in to ***close federal loopholes*** and crack down on predatory practices ***through consumer protection laws***



Maryland Military Coalition Recommends

Legislation that strictly and ***strongly regulates non-accredited individuals and companies*** charging fees to help veterans file claims

- Louisiana (2024), Florida, Colorado, and North Carolina (all in 2025) laws provide excellent examples
 - Complement federal regulation
 - Hold individuals and companies accountable
 - Ensure that veterans can access their earned benefits without fear or risk of exploitation

These laws create guardrails



Maryland Military Coalition

Maryland Military Coalition Recommends

Legislation that clearly *discloses in writing and orally*:

- Individual/company not sponsored or affiliated with US VA or MD DVMF
- Other organizations can offer the same services for free
- Products or services being offered not necessarily endorsed by US VA or MD DVMF
- Veteran may qualify for other benefits beyond those they may receive from the individual/company



Maryland Military Coalition Recommends

Legislation that:

- ***Regulates*** compensation:
 - Discloses and “memorializes” all terms at the outset
 - No referral fees; no prepayment and non-refundable fees; no interest charges
 - ***Prohibits charging fees that are not allowed by federal law***
- ***Prohibits*** conduct that:
 - Bars a guarantee of a specific outcome or amount of veterans’ benefits; methods of solicitation
 - ***Bars the use*** of a veteran’s ***personal and financial*** information
 - Bars employment of medical provider for secondary exam



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ELIMINATING THE AGE RESTRICTION AND TAX ON MILITARY RETIREMENT INCOME



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Maryland is at a Competitive Disadvantage

**No age restriction;
100% exemption of
military retirement pay**

**Military retirement
pay taxed at ordinary
income tax rates**

**No age restriction;
100% exemption of
uniformed services
retirement pay**



**No age restriction;
100% exemption of
military retirement pay**

**Under 55: \$12,500
exemption of military
retirement pay
55 and older: \$20,000
exemption of military
retirement pay**

**No age restriction;
\$12,500 exemption of
military retirement pay**

**No age restriction;
\$40,000 exemption of
military retirement pay
this year and beyond**



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Costs of Not Eliminating the State Tax

- The number of military retirees in Maryland will continue to decline as they leave for other states that do not tax military retired pay
- ***Continued loss of additional tax revenue*** from ***households*** with individuals ***commuting*** or ***remote working*** from other states that do not tax military retired pay
- Vacancies in Defense, healthcare, cyber, IT, research, education and healthcare will remain unfilled
- ***Loss of additional tax revenue from second-career incomes*** and household spending ***as military retirees leave*** for other states



Benefits of Eliminating the State Tax

- Incentivizes military retirees to *stay, live, work, and spend* in Maryland
 - Most retiring service members are in their late 30s to early 40s
 - Will work in the private sector for up to 25 years
 - Their households will also contribute to Maryland's economy
- Retirees bring expertise and critical skills to occupations where serious shortages currently exist
- *Second career incomes, including working spouses, would be fully taxable, offsetting the cost of exempting military retired pay*



Maryland Military Coalition Recommends

Option 1:

Match the Commonwealth of Virginia:

- In Tax Year 2026
 - Eliminate the under-55 age restriction
 - Raise all exemptions to \$40,000
- Beyond Tax Year 2026
 - Develop a plan to increase exemption incrementally

***Maryland should not be a farm team
for Virginia!***



Maryland Military Coalition

Maryland Military Coalition Recommends

Option 2:

Phasing in the elimination of the State tax on military retired pay:

- In Tax Year 2026
 - Eliminate the 55-year-old age restriction
 - Raise the \$12,500 under 55 exemption to \$20,000
- In Tax Year 2027
 - Exempt 50% of military retired pay but not less than \$20,000
- In Tax Year 2028
 - Exempt 100% of military retired pay but not less than \$20,000



EXPEDITED PROFESSIONAL LICENSURE & CERTIFICATION FOR SPOUSES OF MEMBERS OF UNIFORMED SERVICES



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Military Spouses by the Numbers*

- **23% are unemployed**, five to six times the rate of their counterparts without a military connection
 - 54% of active-duty spouses cited “military spouse employment” as their most pressing challenge
- **77%** reported that **two incomes are vital** for their family’s well-being
- **39%** reported that it took **more than three months** to start employment after most recent relocation
- **35%** of military spouses **require an occupational license** to work in their chosen profession

* 2024 Blue Star Families Military Families Lifestyle Survey, https://bluestarfam.org/wp-content/uploads/2025/02/BSF_MFLS24_Comp_Report_Full-v2.pdf



Maryland Military Coalition

Advantages of Interstate Compacts

- Take precedence over the licensure portability provision of §705A of the Servicemember Civil Relief Act
- Most compacts allow military spouses to ***designate a home state for their license, ensuring*** that there is ***no license transfer with each move***
- Compacts developed through extensive consensus-based process from existing policies across many states
- Specific to the needs of each profession
- ***Preserve state sovereignty*** with state-to-state cooperation
- Can start working more quickly



Issues a Compact Can Resolve

Enactment of interstate licensure compacts in key occupations will **result in the following benefits** for active-duty members of the uniformed services, their spouses, and veterans:

- **Remove** the **barriers** to employment
- **Remove** the **one-year limitation** on veterans
- **Discontinue** the issuing of **“Letters of Recognition”**



Maryland Military Coalition Recommends

Focus on enacting the following interstate licensure compacts:

- Dentist and Dental Hygienist Compact* (12 states)
- Dietician Licensure Compact* (15 states)
- Interstate Massage Therapy Compact* (5 states)
- Interstate School Psychologist Compact* (7 states)
- Interstate Teacher Mobility Compact* (13 states)
- Physician Associates Compact (19 states)
- Respiratory Care Interstate Compact* (4 states)

* Compacts developed through the DoD-CSG Cooperative Agreement



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**EXPAND VETERANS TRUST
FUND ELIGIBILITY TO INCLUDE
MEMBERS OF THE RESERVE
AND THEIR FAMILIES**



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Why Expand the Fund's Eligibility

- Members of the MD National Guard and their families were added as eligible recipients by 2025 MGA
 - May suffer from “temporary non-emergency financial challenges” that the Fund can address
- Members of the Reserve face the same “temporary non-emergency financial challenges”
- Approximately **11,900 members of the Reserve** versus approximately **6,100 members of the National Guard***
- ***No policy justification to “leave behind” members of the Reserve and their families***

* By assigned duty location in Maryland, per the DMDC, 12/31/24; excludes approximately 7,900 residents assigned outside of Maryland



Maryland Military Coalition

Maryland Military Coalition Recommends

Amend Maryland Code to include as eligible recipients of the Veterans Trust Fund:

- Members of the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service Reserve who are Maryland residents

Not doing so is inconsistent with Governor Moore's pledge to "leave no one behind"



ESTABLISH A MARYLAND WOMEN'S VETERANS MEMORIAL



Maryland Military Coalition

Maryland Military Coalition Supports

- Establishment of a Maryland Women's Veteran Memorial at the Maryland Veterans Museum at Patriot Park, Newburg, MD
- Establishment of a timeline for design and completion of the memorial
- Establishment of a memorial construction timeline and a plan for funding that considers all possible public and private sources, including establishing a 501(c)(3) corporation to raise funds from foundations, corporations and individuals



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VETERANS CAUCUS DISCUSSION



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OPEN DISCUSSION



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Thanks for
Attending!

WRAP UP

