



## House Bill 100

*Income Tax Subtraction Modification – Retirement Income of Law Enforcement,  
Fire, Rescue, and Emergency Services Personnel*

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 21, 2017

From: Barbara Zektick

The Maryland Association of Counties (MACo) **OPPOSES** HB 100. This bill provides for a subtraction modification for the first \$15,000 of retirement income for individuals at least 55 years of age who are retired law enforcement officers or fire, rescue, or emergency services personnel of the United States, the State of Maryland, or local government.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

HB 100 is one of many bills that have been introduced this session to reduce or adjust the income taxes paid by residents of Maryland. According to the bill's fiscal note, local revenues would decline by \$2.5 million in fiscal 2018, increasing in subsequent fiscal years. This revenue effect, combined with that of other bills that have been introduced so far this session, is simply not affordable as a statewide county mandate and could present substantial budget difficulties.

MACo suggests that consideration be given instead to providing state tax credits, which do not mandate the depletion of resources from all counties for education, public safety, and needed community services.

Counties welcome the chance to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input. For these reasons, MACo urges the Committee to give HB 100 an **UNFAVORABLE** report.