

February 27, 2025

LD 366

"An Act to Ensure Consistency of Income Tax Deductions for Retired Members of the Uniformed Services"

Chairwoman Grohoski, Chairwoman Cloutier, and Honorable Members of the Taxation Committee- my name is Brenda Pennells. I am a Scarbrough resident and serve as Maine's Civilian Aide to the Secretary of the Army (CASA), the President of the Maine Chapter of the Military Officers Association of America, and Aide de Camp for Governor Mills. I am a veteran Army Officer with 20 years of service and work for Martin's Point Health Care in Portland as the Strategic Relations Manager for the Uniformed Services Family Health Plan. I am testifying in support of LD 366, "An Act to Ensure Consistency of Income Tax Deductions for Retired Members of the Uniformed Services." Martin's Point Healthcare has been serving Military families in Maine for 44 years. With our headquarters' located in Portland, the Marine Hospital which is situated in the center of our campus is a historic relic that dates back to 1858. The Marine Hospital was established to care for ill or injured merchant seamen and coastal lighthouse keepers and their families. The facility also served as a Union hospital during the Civil War and eventually came under the administration of the US Public Health Service (PHS). As a DOD contractor and TRICARE Provider, Martin's Point enrolls eligible retirees from all 8 branches of the Uniformed Services, including the Space Force, NOAA and US Public Health Service.

The exclusion of the tax exemption in our statute for retirees from US Public Health Service, NOAA and the Space Force was first brought to my attention a year ago by an actively serving USPHS Captain (formerly a Naval Officer) currently assigned to the Boston Coast Guard Station as a Regional Behavioral Health Provider. This officer has deep connections to Maine, spending summers in Kennebunkport, attending the University of New England in Biddeford for graduate school, and ultimately purchasing his own home in Kennebunkport in 2020 in anticipation of his retirement from the USPHS. Upon retirement he plans to move his family to Maine and continue to work supporting the behavioral health needs of currently serving servicemembers and veterans.

LD366 represents an opportunity to not only bring fairness to our retirees who have served in the Space Force, NOAA, and the US Public Health Service, but it is also an opportunity to attract professional retirees to Maine that possess the training, skills and education that will benefit our state. Many of these retirees, like the Captain I have mentioned in this testimony, are still of working age and will have other taxable income resulting in increased state revenue. Additionally, as these retirees are all TRICARE eligible, which is a Federal entitlement, they will not increase the burden on state programs such as Medicaid.

LD 366 is a modest policy amendment that will not only provide significant benefits to our state, it will ensure fairness and consistency for our Uniformed Services Retirees. Thank you for your thoughtful consideration of this important policy initiative, and for all you do for the State of Maine.

Brenda Pennels
Civilian Aide to the Secretary of the Army, Maine