

Testimony - SB0202 - Caregiver Tax Credit.pdf

Uploaded by: Anthony Davis

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 0202
In the Senate Budget and Taxation Committee– Income Tax –Caregiver Tax Credit
Hearing on January 17, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 0202 in response to a request from Senator Joanne C. Benson.

January 16, 2024

The Honorable Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Testimony of Maryland Legal Aid in Support of Senate Bill 0202 – Income Tax – Caregiver Tax Credit

Dear Chairperson Guzzone and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 0202. Maryland Legal Aid (MLA) is Maryland's largest non-profit law firm, with 12 offices serving each of Maryland's 24 jurisdictions, providing free civil legal services to the State's low-income and vulnerable residents. Our advocates represent individuals and families who are fighting each day to make ends meet yet struggle with basic needs, consumer debts and housing stability. MLA submits this written testimony at the request of Senator Joanne C. Benson. We ask that the Committee grant SB 0202 a favorable report and urge its ultimate passage.

SB 0202 establishes a nonrefundable credit against the State income tax for qualified expenses paid or incurred by an individual who provides care to a qualified adult family member and whose federal adjusted gross income does not exceed \$75,000 (\$150,000 if filing a joint return). Among the qualified expenses are costs necessary to support routine activities related to daily living, such as meal preparation, bathing, grooming, incontinence, ambulation, clothing, and medical device purchases. Studies show that 78% of family caregivers are paying for these

expenses out-of-pocket and routinely spend an average of \$7,242 of their own money for caregiving related expenses.¹

According to an AARP research report², about 48 million family caregivers provide an estimated \$470 billion annually in unpaid care to their loved ones. Nearly eight in ten caregivers report having routine out-of-pocket expenses related to looking after their loved ones. In 2016, family caregivers spent nearly twenty percent of their income providing care for a senior family member. In 2021, that number increased as family caregivers spent twenty-six percent of their income on caregiving activities. The strain is even greater on Latinos and African Americans, women, and younger caregivers, who have had less time to work and build up resources.

Under current federal law³, a caregiver of an aging parent may only claim a tax credit or deduction if the parent was their dependent either at the time the medical services were provided or at the time the caregiver paid the expenses. In determining whether an aging family member is a dependent, a caregiver must have paid more than half of their parent's support for the calendar year and the parent's gross income for the calendar year must be less than \$4,400. There is no comparable Maryland tax credit or deduction.

For our clients, helping a senior family member often means the family caregiver must juggle caregiving inside the home and their ability to make a living outside the home. By serving as a family caregiver these people often forgo the opportunity to fully participate in the workforce resulting in decreased income, retirement savings, and career development opportunities. Our clients report having to turn down promotions and overtime, change their work schedules, take leave, or limit their hours at the job. All this cuts into their income and earning potential and magnifies their financial and personal stress. Many have little choice other than to curtail spending, dip into personal savings, take out loans, or put off retirement contributions.

At Maryland Legal Aid, we see how the burden of increased medical expenses disproportionately hurts those who can least afford it. Many of our clients reside in multi-generational housing, caring for older adults and children simultaneously. Yet their dedication often leads to burnout, financial loss and social isolation. Maryland agencies support aging in place for our senior adults and disabled residents and family caregivers make it possible for senior family members and those with disabilities to live independently in their homes and communities where they want to be. This care allows loved ones to age in place, maintain a measure of independence, and prevents institutionalization in a hospital, nursing home, or other facility, and saves taxpayers money.

¹ National Association for Home Care & Hospice, <https://www.nahc.org/advocacy-policy/legislative-priorities/credit-for-caring-act/>.

² Skufca, Laura, and Chuck Rainville. *Caregiving Out-of-Pocket Costs Study 2021*, Washington, DC: AARP Research, June 2021, <https://doi.org/10.26419/res.00473.001>.

³ See generally, IRS FAQ's, <https://www.irs.gov/faqs/irs-procedures/for-caregivers>.

By 2030, 77 million Americans will have reached age 65 and will face growing risks of chronic ailments that make it harder to live independently. Maryland can no longer leave family caregivers alone to contend with these challenges. SB 0202 provides financial support for families, relief for caregivers, and dignity for seniors. For these reasons, Maryland Legal Aid fully supports the passage of SB 0202.

Respectfully Submitted,

Anthony H. Davis, Esq.
Advocacy Director for Consumer Law
Statewide Advocacy Support Unit
Maryland Legal Aid, Inc.
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(410) 951-7703

SB 202 - PJC Testimony - 2024 01 16.pdf

Uploaded by: Diana Jarek

Position: FAV



Diana Jarek
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SB 202: Income Tax – Caregiver Tax Credit

Hearing before the Senate Budget and Taxation Committee on January 17, 2024

Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. The PJC **supports SB 202**, which would allow eligible caregivers to claim a tax credit equal to 30% of the amount of qualified expenses that exceed \$2,000.

SB 202 will provide relief for those who dedicate their time and resources to caring for disabled and aging family members.

- As of 2020, more than one in five Americans are family caregivers. Caregivers provide important assistance to their loved ones, often at their own financial expense. Nearly 8 in 10 caregivers have routine out-of-pocket expenses, which average \$7,242 annually.¹
- This financial burden disproportionately impacts women, who make up most caregivers. The high cost of caregiving, combined with stagnant wages, can prevent women from building wealth and saving for their retirement.² SB 202 would ease this financial strain by allowing all caregivers to both care for their families and avoid financial stress.

SB 202 will allow more Marylanders to age in their own homes and communities.

- The vast majority of adults – 90% – would prefer to remain in their homes as they age.³ Aging in the home allows older adults to preserve independence and retain control over aspects of their daily lives. Having an in-home caregiver as an alternative to living in a nursing facility allows individuals to maintain their community ties and social lives. Social interactions and community support help older adults prevent dementia and increase their overall quality of life.
- SB 202 will make caregiving at home more feasible for the many older adults who wish to age at home.

For the foregoing reasons, the PJC **SUPPORTS SB 202** and urges a **FAVORABLE** report. Should you have any questions, please call Diana Jarek at 410-625-9409 ext. 223.

¹ Laura Skufca, Chuck Rainville & AARP Research, *Caregiving Can Be Costly – Even Financially*, AARP, Jun. 2021, <https://www.aarp.org/research/topics/care/info-2016/family-caregivers-cost-survey.html#:~:text=The%20typical%20annual%20total%20is,in%20the%20spring%20of%202021.>

² Josephine Kalipeni, *The Economic Costs of Caregiving*, American Society on Aging, Jul. 20, 2022, <https://generations.asaging.org/economic-costs-caregiving>.

³ *The Value of Aging in Place*, USC Leonard Davis School of Genealogy, <https://gero.usc.edu/students/current-students/careers-in-aging/the-value-of-aging-in-place/>.

SB202CaregiverTaxCredit.pdf

Uploaded by: Dorinda Adams

Position: FAV



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**Bill 202 Income Tax – Caregiver Tax Credit
FAVORABLE
Sente Budget and Taxation Committee
Wednesday, January 17, 2024**

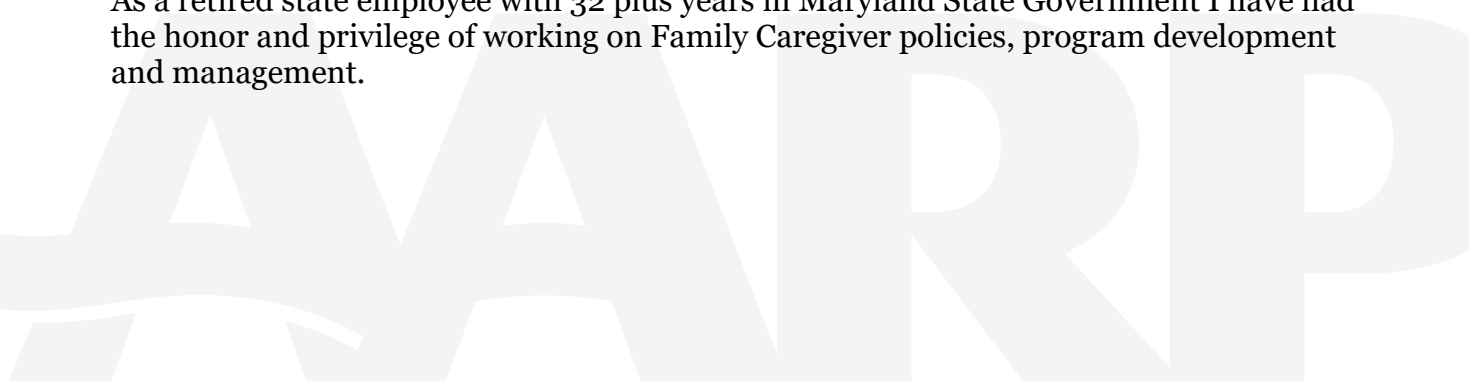
Good afternoon, Chairman Guzzone and members of the Senate Budget and Taxation Committee. I am Dorinda Adams. I am a volunteer with AARP Maryland and resident of Annapolis Maryland. AARP MD and its more than 850,000 members support SB 202 Income Tax – Caregivers Tax Credit. We thank Senator Benson for sponsoring this important legislation.

AARP is the largest nonprofit nonpartisan organization representing the interest of Americans aged 50 and older and their families. AARP Maryland has been championing Family Caregivers for over a decade within the Maryland General Assembly. When asked by AARP Maryland to lead volunteer efforts to organize support for Senate Bill 202 I did not hesitate to jump in and join with individuals and organizations that support Maryland's 760,000 Family Caregivers.

Family Caregivers have been referred to as Informal Caregivers and most are employed and often women over the age of 50. Financially, they may pay out of pocket expenses to cover home health care, medical supplies not covered by insurance or specialized transportation costs to medical appointments for the family member needing care. AARP determines from national data that the average out of pocket expenses to provide additional support to their family member costs the Family Caregiver \$7,200 annually. The annual out of pocket costs does not include the amount that the care provided has been estimated to be valued at 12.5 billion annually. Family Caregivers have identified tax credits to support the additional financial costs they incur while providing unpaid care.

Senate Bill 202 would provide a Tax Credit for Caregivers (not receiving compensation) caring for an immediate Family Member, 18 years or older with at least one care need (Activities of Daily Living.) This tax credit would be available for those filing with a Federal Adjusted Gross Income of \$75,000 or less and for joint filing a Federal Adjusted Gross Income of \$150,000 or less. The maximum amount of the Tax Credit would be up to \$5000 each taxable year.

As a retired state employee with 32 plus years in Maryland State Government I have had the honor and privilege of working on Family Caregiver policies, program development and management.



One of my most treasured accomplishments was to be part of a team to work with Former Delegate Marilyn Goldwater on the initial legislation to mandate the Maryland Caregivers Support Coordinating Council which was enacted during the 2001 Maryland General Assembly. This Council was the first in the nation that focused on supporting the Family Caregiver and in 2017 former Senator Delores Kelley introduced legislation to rename the Council to the Maryland Commission on Caregiving and expand the membership to include a member of the Maryland State Senate and a member of the Maryland House of Delegates.

Serving as the Executive Staff first to the Council and then the Commission, I heard from Family Caregivers across Maryland and often I would hear the need for additional supports such as Respite Care and Training to ensure that they were their best selves in caring for their family member. The final need I heard after Respite Care and Training was about financial support and often that led to the discussion of developing a tax credit.

Volunteering on behalf of AARP Maryland to lead the grassroots advocacy efforts on this bill is another treasured accomplishment and one that I believe would be of great support to Maryland's Family Caregivers.

I submit this written testimony on behalf of all the Family Caregivers I have had the privilege to meet over the years as providing staff support to first the Council and then the Commission.

As an AARP Maryland Volunteer, I respectfully request a favorable vote on SB 202 Income Tax – Caregiver Tax Credit. If you have questions or need follow up, contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.

MD Catholic Conference_SB 202_FAV.pdf

Uploaded by: Garrett O'Day

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

SB 202
Income Tax – Caregiver Tax Credit

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference offers this testimony in support of Senate Bill 202. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state’s second largest social service provider network, behind only our state government.

Senate Bill 202 would provide immediate family caregivers a tax credit equal to 30% of their expenses after the first \$2,000 annually, up to a maximum of \$5,000. The credit would apply to any expenses incurred in the care of an adult immediate family member who requires assistance with daily living activities.

As a society, it is essential that we provide for the people that have dedicated themselves to caring for those in need. In order to provide for the elderly and the disabled, we must ensure the continuance of support for caregivers in Maryland. In Fratelli Tutti, Pope Francis reminds us that, “by isolating the elderly and leaving them in the care of others without the closeness and concern of family members, we disfigure and impoverish the family itself. We also end up depriving young people of a necessary connection to their roots and a wisdom that the young cannot achieve on their own.”

With a growing elderly population nationwide and hundreds of thousands of Marylanders currently caring for others, it is integral to the growth of communities that they are supported in their service to others. There is also a growing need to support these caregivers, many of whom cannot afford their care necessary for their aging immediate family members, particularly as the “Baby Boomer” generation ages. Therefore, now is an optimal time for ensuring state support for caregivers.

For these reasons, we urge a favorable report on Senate Bill 202.

SB202- FAV Gertie W..pdf

Uploaded by: Gertie Wilson

Position: FAV

Good afternoon, Chair Guzzone, Vicechair Rosapepe, and members of the Budget and Tax Committee. My name is Gertie Wilson and I am a member of NAMI Maryland, but most importantly, I am a caregiver.

My son was diagnosed with schizophrenia during his senior year of college and is now 41 years old. I have been retired for nine years and caring for my son is my full-time job. The amount of time and personal expense of supporting my son is difficult to calculate because as a parent, no amount of time is enough and any expense that I can possibly cover is not too much.

A caregiver tax credit would benefit Marylanders like me who do not have the resources to provide for all the healthcare, safety, mobility, and independence our loved ones need. Personally, I am a single parent and caregiver and I only have one bathroom in my house. My son needs his own restroom. I have gotten several estimates over the years, but I hesitate to pay for such a major renovation to my home when I never know if I will need money for other out-of-pocket expenses in support of my son. Senate Bill 202 specifically allows a tax credit for "alteration of the caregiver's primary residence to enable or assist the qualified family member to be more mobile, safe, or independent." My son is living with mental illness, but he is still a grown man. I wish he could have his own bathroom for the sake of his independence and dignity. Senate Bill 202 could help make this a reality.

For the sake of my son and for caregivers like me, please give a favorable report to Senate Bill 202.

Thank you.

Gertie Wilson

Sponsor Testimony

Uploaded by: Joanne Benson

Position: FAV

JOANNE C. BENSON
Legislative District 24
Prince George's County

Finance Committee

Joint Committees

Children, Youth, and Families

Ending Homelessness

Fair Practices and State Personnel Oversight

Management of Public Funds

Protocol



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Joanne C. Benson
SB0202: Income Tax- Caregiver Tax Credit

Good Afternoon Chair Guzzone, Vice Chair Rosapepe and members of the Budget and Taxation Committee. I am here to present SB0202 The Caregiver Tax Credit.

This legislation, which has a significant impact on many people in our state, addresses the issues and, in fact, the crisis facing families who are providing care for elderly and or disabled family members. Certain caregivers do not earn a fair wage for the amount of work they endure daily, and working-class families cannot afford to pay them their desired wage. How does one accommodate the needs of caregivers who have an essential role in providing quality of life to people who are elderly and people who are disabled? The Caregiver Tax Credit will directly impact the caregivers by providing them with a credit against their state income tax.

The goal of this legislation is to grant some caregivers a credit against their state income taxes equal to 30% of their eligible expenses that exceed \$2,000 in value. This is essential in granting a form of amnesty towards our caregiver initiatives across the state. Out of 5 million people in Maryland, 11 percent of our citizens have disabilities, and 16.3 percent are considered elderly. When combined equal to a total of 27.3 percent of Maryland residents, eligible for caregiver needs. The yearly wage within caregiver's professions rank low outside of private agencies, and are given little relief throughout their career. These conditions directly correlate to over exhaustion, which affects their quality of services provided to the residents of Maryland. These statistics emphasize the importance of caregivers and highlight their pay disparities in correlation with their work.

Caregivers who are assisting individuals with disabilities often start their workday before their client wakes up and after they fall asleep, resulting in shifts exceeding 8 hours a day. Individuals that need 24-hour assistance cannot be left alone which can put additional stress on caregivers because they cannot be relieved to go home until the next caregiver comes to work. Insurance does not like to pay for overtime which also induces stress to caregivers. The unreliable work schedules make it difficult for caregivers to have an additional job to help pay for bills.

Thus, I respectfully urge the committee to issue a favorable report for SB0202.

SB202 LOS_MCC FAV.pdf

Uploaded by: Joshua John

Position: FAV



MARYLAND COMMISSION ON CAREGIVING

MEMBERS

January 17, 2024

Theresa Robertson, Co-Chair

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401

Kate Farinholt, Co-Chair

Ann Squire

Patricia Morris

RE: SB 202 - Income Tax –Caregiver Tax Credit

Esther Ward

Dear Chairman Guzzone:

Terri Johnson

Mary Anne Kane-Breschi

The Maryland Commission on Caregiving is pleased to submit this **letter of support for SB 202 - Income Tax –Caregiver Tax Credit**. This bill will allow taxpayers who are caregivers to a family member with a disability or impairment to claim a credit equal to 30% of qualified expenses that exceed \$2,000, up to a maximum credit of \$5,000 related to supporting the person.

Trina Townsend, MS

Chalarra Sessoms, LCSW-C

Katherine Wehr

Larry Bram

Serving as the ‘voice of the Maryland family caregiver,’ the Maryland Commission on Caregiving (“Commission”) is charged with recommending policies that positively impact family caregivers, soliciting and responding to their concerns and acknowledging their contributions. A 2021 study conducted by AARP found that the average annual out-of-pocket costs for family caregivers is \$7,242¹. Considering this,

Jennifer Eastman

Yetunde Olobatuyi

Shalini Arora, LCSW-C

the Commission strongly supports efforts to decrease the financial burden of family caregivers who support loved ones in their homes, thus deferring admission to a more expensive and restrictive setting.

The Commission respectfully wants to raise awareness to an underutilized existing tax credit that may be duplicative of a “qualified expense” included in SB 202 which allows for “the improvement or alteration of a caregiver’s primary residence to enable or assist the qualified family member to be mobile, safe, or independent.” The Department of Housing and Community Development (DHCD) administers the Independent Living Tax Credit which allows a tax credit up to 50% of the costs of home renovations to improve accessibility up to \$5,000. DHCD seeks to be flexible and accommodating to those seeking this credit and includes a list of eligible, but non-exhaustive, renovations that would qualify for the tax credit.² Upon the Committee’s review, it might consider an amendment to SB 202 excluding that specific qualified expense.

The Commission works to ensure that caregivers across the lifespan are equipped with the resources needed to provide safe care to their loved ones. Passage of SB 202 would support such efforts which is why the Commission respectfully urges a favorable report.

Sincerely,

Kathryn (Kate) Farinholt, Co-Chair, MD Commission on Caregiving

¹ 2021 Caregiving Out-of-Pocket Costs Study | DOI: <https://doi.org/10.26419/res.00473.003> | Report: aarp.org/caregivers

² <https://dhcd.maryland.gov/Pages/ILTC/default.aspx>

SB202_FAV.pdf

Uploaded by: Karen Kalla

Position: FAV

SB202 Income Tax - Caregivers Tax Credit
FAVORABLE
Senate Budget and Taxation Committee
January 17, 2024

Good afternoon, Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Lisa Sun, a member of AARP and resident of Montgomery County. I like to give my support of SB202 Income Tax – Caregivers Tax Credit. I like to thank Senator Benson for sponsoring this important legislation.

AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans aged 50 and older and their families. Key priorities of our organization include helping all Marylanders in achieving financial and health security and supporting safety net for seniors and low-income households in the state of Maryland is a priority.

SB202 allows caregivers who provide care or support in one or more daily activities to a family member that is over the age of 18 years to take a credit against their Maryland state income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000. The goods and services that may be used to calculate this tax credit are explained in the bill and the tax credit cannot exceed \$5,000 in a year.

As a caretaker of a Super-Senior loved one and a member of a growing demographic group in our state, Asian American Pacific Islanders, I have experienced firsthand the compelling need for more integrative approach to care of our most vulnerable seniors, minority seniors. From translation to transportation, from cultural sensitivity training of our healthcare and senior care providers, to securing appropriate end-of-life hospice services, minority seniors face a full gamut of needs that we are just beginning to identify and address.

Although there is growing awareness that we need to address and provide culturally and linguistically appropriate healthcare and senior care services to our AAPI community, at present many family caretakers are left with ad hoc resources. Enacting SB202, Caretaker Tax Credit will impactfully begin a process of building a lifeline for many of these caretakers and their families, who are often managing the daily activities and needs of their senior loved ones, navigating the multi-faceted and often disconnected system of our healthcare and senior care industry all alone, while raising a family and working a job, all without a formal support system.

As a caretaker first of my mother, now of my father, I am grateful for the opportunity to have experienced firsthand the incredible challenges and satisfaction of a caretaker. But I am also mindful after listening to so many personal stories of caretakers on the frontline, struggling on almost an everyday basis, the trial and tribulation of caring for their parents in a multicultural society that at times is ambivalent about the role of our Asian heritage teaching of filial responsibility.

SB202 would give recognition and is designed specifically to compensate and provide some relief for those who give of their own time and money to care for a senior family member. Doing so will help to improve the quality of life for individuals, families, and their communities; but also make Maryland a state that honors filial responsibility, enriching our multicultural community, making it an attractive place for all seniors to live.

For these reasons, I respectfully ask for the Committee to give SB202 a Favorable report.

SB 202 - WLCMD - FAV.pdf

Uploaded by: Laure Ruth

Position: FAV

BILL NO: Senate Bill 202
TITLE: Income Tax - Caregiver Tax Credit
COMMITTEE: Budget & Taxation
HEARING DATE: January 17, 2024
POSITION: **SUPPORT**

Senate Bill 344 seeks to provide an income tax credit of up to 30% of the cost of qualified expenses related to the caregiving of an immediate family member. These qualified expenses can include the cost of personal or in-home care, assistive care technology, and even legal or financial services related to the care. As our nation faces an on-going crisis of care, derived from the pandemic, staffing shortages, and an increasingly aging population, any relief we can provide to members of the sandwich generation will benefit Maryland families.

All over the world, women are the predominant caregivers, whether that is for children, sick spouses, or elderly parents. The statistics hold true here in Maryland. Nearly 40% of Marylanders are providing regular care or assistance to an elderly parent or parent-in-law, and 57% of all caregivers in Maryland are women¹. This unpaid and often invisible labor can be intense, with a quarter of the caregivers providing at least 20 hours of care per week. At the same time, two-thirds of Maryland families have a woman as the sole, primary, or co-breadwinner². These families are disproportionately lower-income and the least able to afford the cost of caregiving. Caregiving creates significant financial challenges for many women workers, due to lost wages from time out of the workforce, paying for prescription medications, or purchasing medical supplies. Studies have shown that women who are family caregivers are 2.5 times more likely than non-caregivers to live in poverty and five times more likely to receive Supplemental Security Income³.

AARP recently reported that approximately 78% of caregivers report regularly spending their own money on caregiving expenses and that they spend, on average, 26% of their income on caregiving expenses⁴. Their assistance helps save taxpayer dollars by helping to delay or prevent more costly nursing home care and unnecessary hospital stays. The Caregiver Tax Credit would create a new, tax credit of up to \$5,000 for eligible family caregivers to help address the financial challenges of caregiving

As SB 344 seeks to ease some of the financial burdens on caregivers, which in turn will support Maryland families and enable continued economic security for women in Maryland, the Women's Law Center of Maryland, Inc. urges a favorable report on Senate Bill 344.

The Women's Law Center of Maryland is a non-profit legal services organization whose mission is to ensure the physical safety, economic security, and bodily autonomy of women in Maryland. Our mission is advanced through direct legal services, information and referral hotlines, and statewide advocacy.

¹ <https://www.cdc.gov/aging/data/infographic/2019/maryland-caregiving.html>

² <https://www.americanprogress.org/article/breadwinning-mothers-continue-u-s-norm/>

³ <https://www.caregiver.org/resource/women-and-caregiving-facts-and-figures/>

⁴ <https://www.aarp.org/caregiving/financial-legal/info-2021/high-out-of-pocket-costs.html>

SB202_FAV_Sun.pdf

Uploaded by: Lisa Sun

Position: FAV

SB202 Income Tax - Caregivers Tax Credit
FAVORABLE
Senate Budget and Taxation Committee
January 17, 2024

Good afternoon, Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Lisa Sun, a member of AARP and resident of Montgomery County. I like to give my support of SB202 Income Tax – Caregivers Tax Credit. I like to thank Senator Benson for sponsoring this important legislation.

AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans aged 50 and older and their families. Key priorities of our organization include helping all Marylanders in achieving financial and health security and supporting safety net for seniors and low-income households in the state of Maryland is a priority.

SB202 allows caregivers who provide care or support in one or more daily activities to a family member that is over the age of 18 years to take a credit against their Maryland state income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000. The goods and services that may be used to calculate this tax credit are explained in the bill and the tax credit cannot exceed \$5,000 in a year.

As a caretaker of a Super-Senior loved one and a member of a growing demographic group in our state, Asian American Pacific Islanders, I have experienced firsthand the compelling need for more integrative approach to care of our most vulnerable seniors, minority seniors. From translation to transportation, from cultural sensitivity training of our healthcare and senior care providers, to securing appropriate end-of-life hospice services, minority seniors face a full gamut of needs that we are just beginning to identify and address.

Although there is growing awareness that we need to address and provide culturally and linguistically appropriate healthcare and senior care services to our AAPI community, at present many family caretakers are left with ad hoc resources. Enacting SB202, Caretaker Tax Credit will impactfully begin a process of building a lifeline for many of these caretakers and their families, who are often managing the daily activities and needs of their senior loved ones, navigating the multi-faceted and often disconnected system of our healthcare and senior care industry all alone, while raising a family and working a job, all without a formal support system.

As a caretaker first of my mother, now of my father, I am grateful for the opportunity to have experienced firsthand the incredible challenges and satisfaction of a caretaker. But I am also mindful after listening to so many personal stories of caretakers on the frontline, struggling on almost an everyday basis, the trial and tribulation of caring for their parents in a multicultural society that at times is ambivalent about the role of our Asian heritage teaching of filial responsibility.

SB202 would give recognition and is designed specifically to compensate and provide some relief for those who give of their own time and money to care for a senior family member. Doing so will help to improve the quality of life for individuals, families, and their communities; but also make Maryland a state that honors filial responsibility, enriching our multicultural community, making it an attractive place for all seniors to live.

For these reasons, I respectfully ask for the Committee to give SB202 a Favorable report.

SB 202 Family Caregiver Tax Credit.pdf

Uploaded by: Loraine Arikat

Position: FAV



Testimony in support of:
SB 202/HB 32
Family Caregiver Tax Credit

Dear Chair Guzzone and members of the Senate Budget and Taxation committee:

1199 SEIU is a proud partner of the Caring Across Maryland coalition which consists of direct care workers, patients, loved ones, and advocates who are committed to improving the long term care infrastructure in Maryland through bolstering job quality for care workers, protecting quality of care, and increasing access to affordable long term care. We understand that family caregivers are holding up a broken long term care system that has failed to invest care workers and uphold quality of care. This legislation strengthens our care infrastructure by giving Maryland families the support and financial relief they deserve.

Many of 1199 SEIU members who work at nursing homes and hospitals across the state know what it's like to juggle their paid jobs as care workers with unpaid work of being a family caregiver to a loved one. The physical and emotional toll often pushes them to burnout and to leave their jobs entirely. Caregivers save Maryland taxpayers countless dollars that would otherwise be spent on caring for individuals in need of special, daily assistance.

Caregivers allow their older parents, spouses, or other loved ones to live independently instead of being forced into nursing homes. These dedicated family caregivers provide \$600 billion worth of unpaid labor each year—managing medications, preparing meals, helping with bathing, feeding, and dressing, providing transportation to medical appointments, and handling financial and legal matters.

It's time for Maryland to prioritize the care agenda and support family caregivers. We urge a favorable report on SB 202.

Sincerely,

Loraine Arikat
Senior Policy Analyst | 1199 SEIU United Healthcare Workers East
Coordinator | Caring Across Maryland Coalition
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SB 202 Maryland Military Coalition Written Testimo

Uploaded by: Lynn Nash

Position: FAV



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

January 18, 2024

The Honorable Guy Guzzone, Chair
The Honorable Jim Rosapepe, Vice Chair
Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, MD 21401

Subject: **Request for FAVORABLE Report** – SB 202 – Income Tax – Caregiver Tax Credit

Dear Chair Guzzone and distinguished members of the Senate Budget and Taxation Committee:

On behalf of the members of the Maryland Military Coalition (MMC) and as its Communication Director, I write to recommend a **FAVORABLE report** by the Committee on **SB 202 Income Tax – Caregiver Tax Credit**, sponsored by Senator Benson. This bill will establish a tax credit of 30% of the qualified expenses paid during the taxable year that exceed \$2,000; not to exceed \$5,000 or the state income tax imposed for that tax year for individual whose income does not exceed \$75,000 for an individual or \$150,00 joint return.

By the numbers:

By the numbers

By the numbers

- 53M U.S adults are currently caregiving¹, up from 43.5 million in 2015, and includes caregivers who also work full-time jobs¹.
- The number of people providing care and working outside the home has increased for 1 in 7 in 2020 to 1 in 5 today²
- Seventy-three percent (73%) of all employees have some type of current caregiving responsibility³ up from 16% in 2019 and 22% in 2022
- The majority of caregivers are women (56%)

¹ [Two Income Families Statistics and Trends in 2023](#), Gitnux Marketdata Report 2023, 2023

² [1 in 5 Americans Now Provide Unpaid Family Care](#), AARP 2022

³ [Supporting Employee Caregivers Starts with Better Data](#), Harvard Business Review, 2022

- Nearly a quarter of caregivers of an elderly or sick adult also have young children under the age of 18. These caregivers belong to the “sandwich generation.”
- Fewer than half of workers have communicated about their caregiving responsibilities with their managers.

Who are caregivers providing care for?

Groups receiving care from working adults



41%
Parent



20%
Someone else



29%
Special-needs child



18%
Spouse/Partner

- Most U.S. households (61%) depend on two incomes to remain financially stable²
- Caregivers are twice as likely as non-caregivers to have experienced a layoff (6% versus 3%),
- 20% say that their caregiving responsibilities have limited their career growth and job opportunities.
- 29% of caregivers have had to reduce their work hours as opposed to only 14% of non-caregivers.
- Twenty-seven percent of caregivers were out of work last year for an extended period of at least 30 days due to a condition, illness, or injury compared to only 14% of non-caregivers.
- One in 5 caregivers have taken a leave of absence and/or a demotion to accommodate their caregiving duties.
- In 2020, caregivers spent an average of nine hours per week providing care.⁴ In 2023, that has increased to an average of 26 hours per week. Almost half spend 10–29 hours of their week devoted to caregiving, and 27% spend 30 hours or more providing care.

⁴ [Guardian 8th Annual Workplace Benefits Study](#), 2020

Time devoted to caregiving

Average hours per week



- Eight in 10 caregivers report having routine out-of-pocket expenses related to looking after their loved ones.
- The typical annual total is \$7,242 or 26% of their income

Here are some of the common tasks caregivers do:

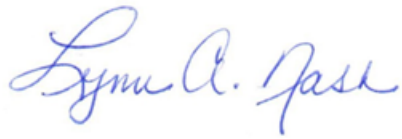
- Buy groceries, cook, clean house, do laundry, provide transportation
- Help the care receiver get dressed, take a shower, take medicine
- Transfer someone out of bed/chair, help with physical therapy, perform medical interventions—injections, feeding tubes, wound treatment, breathing treatments
- Arrange medical appointments, drive to the doctor, sit in during appointments, monitor medications
- Talk with doctors, nurses, care managers, and others to understand what needs to be done
- Spend time handling crises and arranging for assistance—especially for someone who cannot be left alone
- Handle finances and other legal matters
- Be a companion
- Be a (usually) unpaid aide, on call 24/7

The Maryland Military Coalition **strongly supports SB 202** and asks for a **FAVORABLE** report from the Budget and Taxation Committee. Establishing a Caregiver Tax Credit enhances the Moore Administration’s Year of the Military Families and is in keeping with the Governor’s mantra: “Leave No One Behind”

The Maryland Military Coalition is a non-partisan organization of 21 Veteran organizations representing over 150,000 Maryland uniformed services men and women and their families -- almost half of the 355,000 veterans in the State.

We want to thank Senator Benson for sponsoring this legislation and her strong, support of the uniformed services community in Maryland.

Respectfully,

A handwritten signature in blue ink that reads "Lynn A. Nash". The signature is written in a cursive style with a large initial 'L'.

Lynn A. Nash, PhD, RN, PHCNS-BC, FAAN
CAPTAIN (Ret)., U.S. Public Health Service
Communications Director

¹ [Supporting Caregivers](#), Centers for Disease Control and Prevention, 2021

² [Two Income Families Statistics and Trends in 2023](#), Gitnux Marketdata Report 2023, 2023

³ [1 in 5 Americans Now Provide Unpaid Family Care](#), AARP 2022

⁴ [Supporting Employee Caregivers Starts with Better Data](#), Harvard Business Review, 2022

⁵ [Guardian 8th Annual Workplace Benefits Study](#), 2020

⁶ [Standing Up and Stepping In: A modern look at caregivers in the U.S.](#) 2023

⁷ [The U.S. "has become a nation of caregivers," expert says](#), Yahoo! Finance, 2023

SB202- FAV.pdf

Uploaded by: Morgan Mills

Position: FAV

January 17, 2024

Chair Guzzone, Vice Chair Rosapepe, and esteemed members of the Budget and Taxation Committee,

The National Alliance on Mental Illness, Maryland and our 11 local affiliates across the state represent a statewide network of more than 58,000 families, individuals, community-based organizations, and service providers. NAMI Maryland is a non-profit that is dedicated to providing education, support, and advocacy for persons with mental illnesses, their families and the wider community.

Family members and caregivers often play a large role in helping and supporting the millions of people in the U.S. who experience mental health conditions each year. Caregivers provide assistance with one or more activities for daily living. NAMI MD wants to ensure that caregivers are equipped with resources needed to provide care to their loved ones.

According to a 2021 study conducted by AARP, the average annual out-of-pocket cost for family caregivers is \$7,242. It's important to note that family caregivers devote their time to being a caregiver, meaning not only are they spending money out of pocket, but in some instances, they are entirely forgoing income. Offering a tax credit acknowledges and compensates for the potential income loss these caregivers may experience. By providing financial relief, the tax credit becomes a vital tool in enabling caregivers to continue their vital role without facing undue financial hardships. NAMI MD supports any efforts to decrease the financial burden of caregivers.

Caregivers who provide support to family members with mental illness play a crucial role in the well-being of their loved ones. Offering a tax credit for caregivers is a strategic investment in the well-being of individuals, their families, and Marylanders at large.

For these reasons, we urge a favorable report.

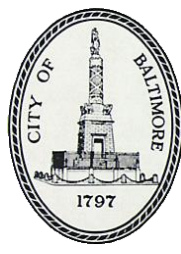
Kathryn S. Farinholt
Executive Director
National Alliance on Mental Illness, Maryland

Contact: Morgan Mills
Compass Government Relations
Mmills@compassadvocacy.com

SB0202-BT-SUPP.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 202

January 17, 2024

TO: Members of the Senate Budget and Taxation Committee
FROM: Nina Themelis, Director of Mayor's Office of Government Relations
RE: Senate Bill 202 –Income Tax – Caregiver Tax Credit

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 202.

SB 202 provides a state income tax credit for qualifying expenses incurred by family caregivers supporting persons who cannot perform activities of daily living, such as feeding themselves, bathing, or transferring. Qualifying expenses include adult day care, specialized transportation, legal or financial services, and assistive care technology.

Thousands of Marylanders, particularly older adults, live with chronic medical conditions and disabilities that restrict their ability to care for themselves. Many live with their families, depending on them to provide care. For the most part, this care and its associated costs are not covered by health insurance plans, including Medicare and Medicaid. In 2021, the AARP Public Policy Institute estimated that 760,000 family caregivers in Maryland provided 710,000,000 hours of care. The uncompensated care provided by family caregivers not only allows individuals to age in their homes, it prevents unnecessary hospitalizations and nursing home placements, reducing healthcare costs, including those incurred by the Maryland Medicaid program.

Baltimore City Health Department administers federal and state programs that provide support and counseling for family caregivers. The Health Department will be prepared to work in partnership with the State Comptroller's Office to educate the City's caregivers about the opportunity for help that SB 202 will create.

For these reasons, the BCA respectfully requests a **favorable** report on SB 202.

SB 202 PKS Testimony B&T Hrng 011724 bd 011524.pdf

Uploaded by: Paul Schwartz

Position: FAV



NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES
MARYLAND FEDERATION

GARY ROUNDTREE
PRESIDENT

EDWARD HOLLAND
1st VICE PRESIDENT
LEGISLATIVE DIRECTOR

ED REED
2nd VICE PRESIDENT
MEMBERSHIP DIRECTOR

MELODY KEBE
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IMMEDIATE PAST PRESIDENT

TED JENSEN
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DAN MCGRATH
PAST PRESIDENT

RON BOWERS
PAST PRESIDENT

Testimony of Paul Schwartz
January 17, 2024
Senate Budget & Taxation Committee
SB 202 – Income Tax - Caregiver Tax Credit

I am Paul Schwartz on behalf of the National Active & Retired Federal Employees – NARFE. I testify today in support of SB 202, which would provide a tax credit to Maryland caretakers who provide care and support to senior and other qualified family members.

From the recent valuable report from AARP entitled “Valuing the Invaluable,” we know that in 2021, about 38

million family caregivers in the U.S. provided an estimated 36 billion hours of care to adults with serious or disabling health conditions with the economic value of these unpaid contributions totaling approximately \$600 billion. In Maryland, an estimated 760,000 caregivers provided about 710 million hours of care at an estimated value of \$12.5 billion.

Medicaid is more than a quarter of Maryland's budget
And nursing homes account for a major portion of
Medicaid expenditures.

Anything that extends the period of home care and delays entrance into nursing homes saves Maryland money
There really is some truth to the saying: "You have to spend money to make money."

This is a prime example of that.

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill – any bill – because the Office of Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note

They simply check with the Comptroller's office and take

a hard count of lost tax revenue and give you that figure in the fiscal note without factoring in any cost savings by delaying entrance into nursing homes.

We are experiencing a decline in revenue due in large part to declining population. Let's keep the care recipient and the caregiver here in Maryland and not watch the caregiver move the care recipient to another state and lose their tax money including sales tax, fuel tax, property tax and state income tax to another more tax friendly state.

On behalf of the approximately 300,000 members of NARFE in Maryland as well as all MD seniors who desire to age in place, we strongly urge you to give a favorable report to SB 202.

Thank you.

SB202.DD Coalition.Support.pdf

Uploaded by: Rachel London

Position: FAV



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland

Senate Budget and Taxation Committee
January 17, 2024

SB 202: Income Tax – Caregiver Tax Credit
Position: Support



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Suite 140
Columbia, MD 21046



1500 Union Avenue
Suite 2000
Baltimore, MD 21211



8835 Columbia 100 Pky
Suite P
Columbia, MD 21044



Maryland Developmental
Disabilities Council

217 E Redwood Street
Suite 1300
Baltimore, MD 21202



7000 Tudsbury Road
Windsor Mill, MD 21244

The Maryland Developmental Disabilities Coalition (DD Coalition) is comprised of five statewide organizations that are committed to improving the opportunities and outcomes for people with intellectual and developmental disabilities (IDD) and their families. As such, the DD Coalition supports SB 202.

According to American Community Survey estimates, 11% of Marylanders live with a disability. According to the National Academy of Elder Law Attorneys, approximately 90% of long-term services and supports received in the United States are provided by informal, unpaid caregivers such as family members, friends, and neighbors. The same is true in Maryland.

People with disabilities require a variety of support needs, the majority of which are provided by family caregivers. In recognition of this, in 2014, the Developmental Disabilities Administration (DDA), in partnership with the Maryland Developmental Disabilities Council, began the Community of Practice for Supporting Families. This project recognizes families as the most important group of people in our society, serving as a source of support for all its members. For people with IDD, the role of family is unique, and often key in the support and care provided across the lifespan.

Maintaining the balance of work and care for oneself or a family member is a challenge for anyone, but is particularly challenging for people who provide that care to family members with disabilities. The effects of disability are intrinsically tied to issues of economic insecurity and instability.

- The Center for American Progress notes that **“disability or illness can lead to job loss and reduced earnings, barriers to education and skills development, significant additional expenses, and many other challenges that can lead to economic hardship.”**¹
- One survey found that **more than 70% of family members providing care for people with intellectual and developmental disabilities reported that caregiving interfered with their work.**²
- Another study found that the odds of a worker losing income increase by 48% if the worker lives with a child with disabilities and special health care needs and by 29% if the worker is caring for an adult with disabilities or health issues.

This legislation begins to address some of the financial hardships caregivers face which have been amplified for many since the pandemic, and continue.

Contact:

Rachel London, Executive Director, Maryland Developmental Disabilities Council
rlondon@md-council.org

¹ May 2011. The Arc. *2010 FINDS National Survey: Family and Individual Needs for Disability Support.*

² January 2015. Center for American Progress, *A Fair Shot for Workers with Disabilities.*

01.16 - SB 202 - Income Tax - Caregiver Tax Credit

Uploaded by: Robin McKinney

Position: FAV



SB 202 - Income Tax – Caregiver Tax Credit
Budget and Taxation Committee
January 16, 2024
SUPPORT

Chairman Guzzone, Vice-Chair Rosapepe and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 202. This bill will provide a nonrefundable tax credit of up to \$5,000 for eligible caregivers in Maryland whose income does not exceed \$75,000.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

A caregiver tax credit would provide immense relief to Marylanders who provide care for an adult family member. According to a 2021 study conducted by AARP, family caregivers spend, on average, about 26% of their income on caregiving activities¹. SB 202 would offset the costs of expenses such as adult daycare, specialized transportation, legal or financial services, and assistive care technology. The same AARP study also found that about half of the caregivers took a significant financial hit due to their caregiver roles. A tax credit for caregivers would be instrumental in reducing the cost of caregiving in Maryland.

We have seen the positive effect of tax credits throughout Maryland and the country. The state and federal pandemic relief efforts over the last few years, particularly the expansions of working family tax credits, have clearly demonstrated the powerful benefits of increasing economic security for families. In 2020 and 2021, tax credits were fourth in keeping families from poverty when economic crisis hit due to the pandemic, according to The Center on Budget and Policy Priorities². These credits help people navigate times of crisis, reduce the number of children growing up in poverty, and strengthen our economy. Establishing a caregiver tax credit would add to the financial security that caregivers in Maryland deserve.

The Credit for Caring Act of 2021 was introduced on the federal level in 2021 and included the same provisions as SB 202. Maryland has the opportunity to pass SB 202 as a state to demonstrate the need for federal legislation to follow.

Thus, we encourage you to return a favorable report for SB 202.

¹ AARP: <https://www.aarp.org/research/topics/care/info-2016/family-caregivers-cost-survey/>

² Center on Budget and Policy Priorities: <https://www.cbpp.org/research/poverty-and-inequality/governments-pandemic-response-turned-a-would-be-poverty-surge-into>

SB 202 Caregiver Tax Credit Testimony in Support S

Uploaded by: Shannon Wood

Position: FAV



January 17, 2024

National Multiple Sclerosis Society: Testimony in Support of SB 202
Caregiver Tax Credit
Senate Budget and Taxation Committee

Chair Guzzone, Vice Chair Rosapepe, members of the committee: on behalf of the National Multiple Sclerosis (MS) Society, thank you for the opportunity to submit testimony in support of SB 202 to establish a caregiver tax credit in the state of Maryland. We thank Senator Benson for bringing forward this important legislation.

MS is an unpredictable disease of the central nervous system. Currently there is no cure. Symptoms vary from person to person and may include disabling fatigue, mobility challenges, cognitive changes and vision issues. An estimated 1 million people live with MS in the United States. Early diagnosis and treatment are critical to minimize disability. Significant progress is being made to achieve a world free of MS. Most people with MS are diagnosed between the ages of 20 and 50 and because MS is not a terminal illness, most people diagnosed will need caregiving assistance at some point in their lives.

Up to 58% of people living with MS receive informal (non-professional) care from family members. Family caregiver responsibilities may include emotional support as well as hands-on assistance with daily activities (e.g., transportation/mobility, coordination of in-home care, medication management), which are time-consuming and often necessitate time away from work and loss of income. An estimated 40 million family caregivers in the US provide \$470 billion per year in unpaid care, with 7 in 10 using their own money to cover care expenses.¹ Recent reports suggest family caregivers spend an average of 20% of their income – nearly \$7,000 per year – on caregiving costs.² 39% report financial strain, including forgoing savings or dipping into retirement funds to cover expenses, with the highest burden falling on younger caregivers and those who are Black and/or Hispanic/Latinx.³ Caregivers of people living with MS spend an average of 6.5 hours a day dedicated to caregiving responsibilities.⁴ Nearly 45% of family caregivers report negative financial impacts such as debt, and 86% indicate needing funding assistance to pay for in-home care.

¹<https://www.aarp.org/research/topics/care/info-2015/national-survey-family-caregivers.html>

²<https://www.aarp.org/research/topics/care/info-2015/national-survey-family-caregivers.html>

³<https://highlandcountypress.com/Content/In-The-News/Headlines/Article/AARP-research-shows-family-caregivers-face-significant-financial-strain-spend-on-average-7-242-each-year/2/73/69893>

⁴<https://pubmed.ncbi.nlm.nih.gov/26078487/>

JOIN THE MOVEMENT®

In addition to the unpaid work of family caregivers, people with MS have unique, personalized needs and often need to make their homes accessible in order to remain mobile, safe and independent; home modifications range greatly to meet those diverse needs. Modifications can be as simple as installing a grab bar in the shower and have minimal costs associated; involve assistive technology at moderate expense; or can require much costlier structural changes to the home, such as widening doorways or building a ramp or an accessible bathroom. According to the Center for Universal Design, home modifications can range in price from \$100 to \$50,000.

Establishing this family caregiver tax credit in Maryland would go a long way in supporting families affected by MS and other chronic, complex diseases. Financial relief for these families would allow for better long-term planning and a larger safety net for emergencies. Additionally, allowing for respite care is critical to the long-term success of personal caregivers. When asked about the impact that caregiving has had on their health, 22 percent of caregivers surveyed by the National Alliance for Caregiving felt their health had gotten worse as a result of caregiving. One in five caregivers reports a high level of physical strain resulting from caregiving (19%), while two in five consider their caregiving situation to be emotionally stressful (38%).⁵ Respite care offers short-term help to give family caregivers a break from the stress of providing care. It is vital to helping caregivers maintain their health and it bolsters family stability. Respite makes it easier for families to care for their loved ones in their own homes, as opposed to long-term-care facilities, for as long as possible.

The Society supports the caregiver tax credit outlined in SB 202 and the assistance it will provide to families affected by MS in Maryland. We urge this committee and the larger legislative body to move this bill forward and take action to support the many unpaid caregivers in Maryland.

If there are questions regarding the Society's position, please don't hesitate to reach out to Shannon Wood, Director of Advocacy and Policy, at Shannon.wood@nmss.org.

⁵ AARP; National Alliance for Caregiving (2015). Caregiving in the U.S. Report. <http://www.caregiving.org/caregiving2015/>

SB202_FAV_AARP.pdf

Uploaded by: Tammy Bresnahan

Position: FAV



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**SB 202 Income Tax - Caregivers Tax Credit
FAVORABLE
Senate Budget and Taxation Committee
January 17, 2024**

Good afternoon, Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Tammy Bresnahan, Senior Director of Advocacy and resident of Anne Arundel County. AARP MD and its members support SB 202 Income Tax – Caregivers Tax Credit. We thank Senator Benson sponsoring this important legislation.

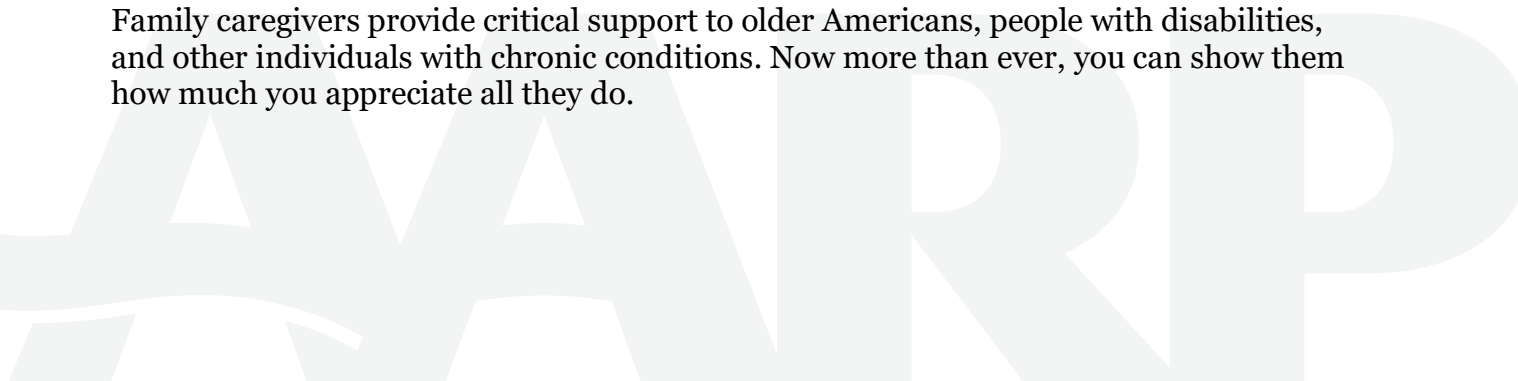
AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans aged 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security and supporting safety net for seniors and low-income households in the state of Maryland is a priority.

SB 202 allows caregivers who provide care or support for one or more daily activities to a family member that is over the age of 18 years to take a credit against their State income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000. The goods and services that may be used to calculate this tax credit are explained in the bill and the tax credit cannot exceed \$5,000 in a year

In 2023, AARP's report "Valuing the Invaluable" estimated the total cost of uncompensated care by a family caregiver in Maryland to be \$ \$12 million. Additionally, that same report indicated that a family caregiver spends over 660 hours per year caring for a loved one. Today's family caregivers come from every age, racial, and socioeconomic group, and include both men and women.

In addition to helping with daily activities, family caregivers frequently coordinate access to services and supports and provide complex health care. Many do all of this on top of managing their own lives, jobs, and often those of other family members—others must give up their employment and only source of income to meet these demands.

Family caregivers provide critical support to older Americans, people with disabilities, and other individuals with chronic conditions. Now more than ever, you can show them how much you appreciate all they do.



We ask, the Senate Budget and Taxation Committee to issue a favorable report on SB 202. If you have questions or concerns, please contact me at tbresnahan@arp.org or by calling 410-302-8451.

SB202 LOS_MCC-1-signed.pdf

Uploaded by: Theresa Robertson

Position: FAV



MEMBERS

January 17, 2024

Theresa Robertson, Co-Chair

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401

Kate Farinholt, Co-Chair

Ann Squire

Patricia Morris

RE: SB 202 - Income Tax –Caregiver Tax Credit

Esther Ward

Dear Chairman Guzzone:

Terri Johnson

Mary Anne Kane-Breschi

The Maryland Commission on Caregiving is pleased to submit this **letter of support for SB 202 - Income Tax –Caregiver Tax Credit**. This bill will allow taxpayers who are caregivers to a family member with a disability or impairment to claim a credit equal to 30% of qualified expenses that exceed \$2,000, up to a maximum credit of \$5,000 related to supporting the person.

Trina Townsend, MS

Chalarra Sessoms, LCSW-C

Katherine Wehr

Larry Bram

Serving as the ‘voice of the Maryland family caregiver,’ the Maryland Commission on Caregiving (“Commission”) is charged with recommending policies that positively impact family caregivers, soliciting and responding to their concerns and acknowledging their contributions. A 2021 study conducted by AARP found that the average annual out-of-pocket costs for family caregivers is \$7,242¹. Considering this,

Jennifer Eastman

Yetunde Olobatuyi

Shalini Arora, LCSW-C

the Commission strongly supports efforts to decrease the financial burden of family caregivers who support loved ones in their homes, thus deferring admission to a more expensive and restrictive setting.

The Commission respectfully wants to raise awareness to an underutilized existing tax credit that may be duplicative of a “qualified expense” included in SB 202 which allows for “the improvement or alteration of a caregiver’s primary residence to enable or assist the qualified family member to be mobile, safe, or independent.” The Department of Housing and Community Development (DHCD) administers the Independent Living Tax Credit which allows a tax credit up to 50% of the costs of home renovations to improve accessibility up to \$5,000. DHCD seeks to be flexible and accommodating to those seeking this credit and includes a list of eligible, but non-exhaustive, renovations that would qualify for the tax credit.² Upon the Committee’s review, it might consider an amendment to SB 202 excluding that specific qualified expense.

The Commission works to ensure that caregivers across the lifespan are equipped with the resources needed to provide safe care to their loved ones. Passage of SB 202 would support such efforts which is why the Commission respectfully urges a favorable report.

Sincerely,

Theresa Robertson Theresa Robertson, Co-Chair, MD Commission on Caregiving

¹ 2021 Caregiving Out-of-Pocket Costs Study | DOI: <https://doi.org/10.26419/res.00473.003> | Report: aarp.org/caregivers

² <https://dhcd.maryland.gov/Pages/ILTC/default.aspx>

SB202.Care.Tax.Credit.24.pdf

Uploaded by: Virginia Crespo

Position: FAV



Maryland Retired School Personnel Association

8379 Piney Orchard Parkway, Suite A • Odenton, Maryland 21113
Phone: 410.551.1517 • Email: mrspa@mrspa.org
www.mrspa.org

Senate Bill 0202
In Support Of
Income Tax – Caregiver Tax Credit
Budget and Taxation Committee
Hearing: January 17, at 1:00 p.m.

Dear Honorable Senator Guy Guzzone, Chair, and Honorable Senator Jim Rosapepe, Vice Chair, and distinguished Budget and Taxation Committee members,

The Maryland Retired School Personnel Association (MRSPA) supports SB 0202 Income Tax - Caregiver Tax Credit.

MRSPA supports services and communities that help seniors age in place and remain healthy, active, and independent. This bill provides Maryland caregivers a tax credit as they provide care and support for the daily activities of senior family members. Out of pocket expenses to care for an older family member can be an additional burden because they are often not reimbursed by one's insurance, or the federal or state government. Offsetting some of those expenses allows loved ones to stay at home and be as independent as possible but also helps the state of Maryland by providing unpaid care and deferring from a more costly nursing home care option or unnecessary hospitalizations.

Providing care for an elderly loved one can be a costly and emotional challenge. This legislation can help with the financial costs so that family caregivers can provide the care they wish to provide while saving the state and federal governments billions of dollars that are not spent on Medicaid and Medicare in nursing homes or other care facilities. A tax credit for caregivers is long overdue.

My personal experience in caring for my father in his last year deeply impacted our family. We were able to do this at his home because we are a large family. This greatly improved our father's quality of life. We shared the extra costs that this involved willingly. It must be said that it was costly for several of us because of the pressures of trying to work and be there to care for Dad.

On behalf of the over 12,000 members of the Maryland Retired School Personnel Association, we strongly urge a favorable report on SB 0202 Income Tax – Caregiver Tax Credit.

Sincerely,

A handwritten signature in black ink that reads "Carla J. Duls".

Carla J. Duls
President

A handwritten signature in blue ink that reads "Virginia G. Crespo".

Virginia G. Crespo
Legislative Aide

SB 202 Statement of Information 1.16.24.pdf

Uploaded by: Laura Vykol-Gray

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 202 Income Tax – Caregiver Tax Credit

STATEMENT OF INFORMATION

DATE: January 15, 2024

COMMITTEE: Senate Budget and Taxation

SUMMARY OF BILL: Senate Bill 202 establishes a nonrefundable credit against the State income tax for qualified expenses paid or incurred by an individual who provides care to a qualified adult family member and whose federal adjusted gross income (FAGI) does not exceed \$75,000 (\$150,000 if filing a joint return). An eligible caregiver may claim a credit equal to 30% of the amount of qualified expenses that exceed \$2,000, up to a maximum credit of \$5,000. Any unused amount of credit may not be carried forward to any other taxable year. The bill takes effective July 1, 2024, and applies to tax year 2024 and beyond.

EXPLANATION: General fund revenues are anticipated to decrease significantly beginning in fiscal 2025 due to credits claimed against the State income tax. While an updated estimate is not yet available, Senate Bill 344 of 2023 (prior introduction) estimated the general fund revenue losses to exceed \$40 million annually. It would be challenging for the State to manage this revenue loss given the forecasted out-year deficits for the General Fund.

**For additional information, contact Laura Vykol-Gray at
(410) 260-6371 or laura.vykol@maryland.gov**