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**March 26, 2024**

**Testimony on House Bill 490**  
**Income Tax - Subtraction Modification for Donations to Diaper Banks  
and Other Charitable Entities - Sunset Repeal**  
**Senate Budget and Taxation Committee**

**Position: Favorable**

Maryland Nonprofits is a statewide association of almost 2000 nonprofit organizations and institutions. On behalf of the nonprofit community we advocate for policies to advance greater quality of life and equity. Maryland Nonprofits urges a favorable report on House Bill 490, Income Tax - Subtraction Modification for Donations to Diaper Banks and Other Charitable Entities - Sunset Repeal.

House Bill 490 proposes the continuation of a vital incentive to ensure the ongoing support for diaper banks and other charitable entities specially registered with the Comptroller. By removing the sunset clause on the tax deduction of up to \$1,000 for donations of diapers, feminine hygiene products, and child hygiene products, this bill addresses a fundamental need in our society. These items are indispensable for the health and dignity of many Maryland families, especially those facing economic hardship.

In Preliminary Data for Tax Year 2020, the Internal Revenue Service reported that only 10% of taxpayers itemize their returns. Unlike federal income tax deductions, which are often limited to the minority of taxpayers who itemize their taxes, the deduction for donations to diaper banks and other charitable entities empowers all Maryland taxpayers to participate in charitable giving. This equitable giving incentive is crucial while Giving USA reports a steady decline in individual giving as a percentage of total charitable contributions.

House Bill 490 empowers more Marylanders to contribute towards our community's well-being, enhancing the capacity of nonprofits to deliver essential services. **We urge you to give HB 490, Income Tax - Subtraction Modification for Donations to Diaper Banks and Other Charitable Entities - Sunset Repeal, a favorable report.**



30 YEARS STRENGTHENING ORGANIZATIONS FOR GREATER QUALITY OF LIFE AND EQUITY

