
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>