



MARYLAND
CATHOLIC
CONFERENCE

March 26, 2024

House Bill 490

**Income Tax - Subtraction Modification for Donations to Diaper Banks and Other
Charitable Entities - Sunset Extension
Senate Budget and Taxation Committee**

Position: Favorable

The Maryland Catholic Conference (MCC) 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.

House Bill 490 extends the termination date applicable to a subtraction under the Maryland income tax for certain donations to diaper banks and other charitable entities; and applying the Act to all taxable years beginning after December 31, 2020, but before January 1, 2027.

Up to 30.5 percent of Maryland's infants reside in households with incomes below twice the federal poverty line, reflecting a diverse economic landscape for the state's youngest population.¹ Many of these children live in low-income households, and the financial strain is evident in the cost of diapers, averaging \$80 to \$100 per month per baby for the typical family.² Unfortunately, both diapers and feminine hygiene products are not covered by SNAP or WIC, leaving numerous families unable to afford these essential items on their own. To enhance safety and well-being and foster a more equitable economy, extending the sunset provision that offers Maryland families an income tax subtraction becomes paramount.

Maryland's diaper banks and charities play a crucial role in distributing hundreds of thousands of diapers to families in need, contributing significantly to keeping infants safe and dry. Assisting families in securing essential goods for their children not only creates safer households but also promotes healthy development. The Conference, committed to supporting life-affirming initiatives, supports the continuation of tax credits to donors contributing diapers, feminine hygiene products, and monetary donations to diaper banks and other charities. This incentive would address the pressing needs of Maryland families during critical times, ensuring

¹[https://stateofbabies.org/pdfs/states/Maryland%20\(MD\)%20%20State%20of%20Babies%20Yearbook%202023.pdf](https://stateofbabies.org/pdfs/states/Maryland%20(MD)%20%20State%20of%20Babies%20Yearbook%202023.pdf)

² https://nationaldiaperbanknetwork.org/wp-content/uploads/2022/12/Fast_Facts_DiaperNeed_Dec_2022.pdf

that no parent should worry about having diapers for their baby or toddler. The bill, by encouraging donations, aims to safeguard the health and safety of children and foster a family-friendly environment.

For these reasons, the MCC asks for a favorable report on **HB 490**.

Thank you for your consideration.