



TESTIMONY IN SUPPORT OF HB 490

Income Tax-Subtraction Modification for Donations to Diaper Banks and Other Charitable Entities – Sunset Repeal

Ways and Means Committee

February 8, 2024 1pm

Submitted by Mark Huffman, Co-Chair

Member Agencies:

211 Maryland

Anne Arundel County Food Bank

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) strongly supports HB 490, which provides for 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.

Service providers in our coalition receive and distribute tens of thousands of diapers and hygiene products to extremely low-income consumers already struggling to pay rent and put food on the table who cannot afford these essential items.

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.

MAP appreciates your consideration and urges the committee to issue a favorable report for HB 490.

***Marylanders Against Poverty (MAP)** is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*