

MaCCRA_Barbara Brocato_SUPPORT_Senate Bill 40

Uploaded by: Brocato, Barbara

Position: FAV



Maryland Continuing Care Residents Association
Protecting the Future of Continuing Care Residents
The Voice of Continuing Care Residents at Annapolis

SUBJECT: Senate Bill 40: Sales and Use Tax - Diapers - Exemption

COMMITTEES: Senate Budget and Taxation Committee, The Honorable Guy Guzzone

DATE: Thursday, January 9, 2020

POSITION: **SUPPORT**

The **Maryland Continuing Care Residents Association (MaCCRA)** is a not-for-profit organization representing the residents in continuing care retirement communities (CCRCs). Maryland has over 18,000 older adults living in CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights and financial security of current and future residents while maintaining the viability of the providers whose interests are frequently the same as their residents. MaCCRA SUPPORTS efforts to:

- Enhance: Transparency, Accountability, Financial Security; and
- Preserve existing protections in law and regulation for current and future CCRC residents statewide.

On behalf of the Maryland Continuing Care Residents Association, we support Senate Bill 40. We understand the bill will be amended to clarify that adult diapers are tax exempt as well as infant diapers.

Currently, the sales and use tax does not apply to the sale of disposable medical supplies which includes incontinent pants, diapers and other incontinent supplies for adults. This is not widely known and clarification in this bill will be helpful, as will extending to infant diapers.

Diapers are not luxury items, but necessary items of daily hygienic need. These items are an important component for the care, dignity and personal comfort of individuals of all ages. To the extent that this bill can make these items more affordable and accessible, it will be of tremendous benefit for parents, caregivers, families, and individual purchasers.

For these reasons we support Senate Bill 40 and ask for a favorable report.

For further information please contact:

Barbara Marx Brocato and Associates at (410) 269-1503 or barbara@bmbassoc.com

PGCRC-Iverson_FAV_SB40

Uploaded by: iverson, jennifer

Position: FAV



January 9, 2020

**Senate Budget and Taxation Committee
Testimony on SB 40: "Sales and Use Tax – Diapers - Exemption"**

**Jennifer Iverson, Executive Director
Prince George's Child Resource Center, Inc.
9475 Lottsford Road, Suite 202, Largo, MD 20774
301-772-8420
jiverson@pgcrc.org**

Position: Support

Based on first-hand observation of diaper need in Prince George's County, I urge you to support SB 40. Money saved by the proposed tax-exemption would allow parents experiencing diaper need to purchase up to 150 more diapers in year.

Prince George's Child Resource Center has been working tirelessly since 1990 to help parents and child care providers create healthy and nurturing environments for children. As part of our family support services, we partner with the Greater DC Diaper Bank – and gave out almost 30,000 diapers last year.

But diaper banks cannot fill the need alone. Parents struggle to pay for diapers; and many who have the fewest resources are forced to pay the most per diaper. Families with higher incomes (and credit cards) can get the cheapest diapers delivered right to their doorstep from Costco, Walmart or Amazon, while a car-less, single mom in a neighborhood lacking a real grocery store may pay triple the price at the 7-11 on the corner.

What are the consequences? Parents get as much use out of each diaper as possible, and in our work we have even seen drying out and reusing disposable diapers. This can result in significant rashes and urinary tract infections in babies.

Not only is there negative health impact for children, but for the whole family. Due to lack of enough diapers, a mother may be unable to go to work or school because she cannot place their children in child care; cloth diapers are not an option. Child care centers do not accept cloth diapers and most public laundromats will not allow them to be washed in their facilities. Using an equity lens to view diaper need, it is clear that something must be done.

Currently, adult diapers are tax-exempt; how is it that our children's diapers are not? Legislation altering the definition of disposable medical supplies to include diapers that are sized for children is long overdue. To ensure healthy babies and healthy families, Prince George's Child Resource Center urges you to support SB 40.

MAP_Jefferson_FAV_SB40

Uploaded by: Jefferson, Stacey

Position: FAV



TESTIMONY IN SUPPORT OF SB 40

Sales & Use Tax – Exemptions - Diapers

Senate Budget & Taxation Committee

January 9, 2020

Submitted by Stacey Jefferson and Matt Quinlan, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

Stacey Jefferson, Chair
P: 410-637-1900 ext 8578
C: 443-813-9231

E: stacey.jefferson@bhsbaltimore.org

Matt Quinlan, Co-Chair
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E: mquinlan@familyleague.org

Marylanders Against Poverty (MAP) supports SB 40, which exempts baby diapers from the sales and use tax.

Having a baby is expensive. One of the major new expenses new parents face is the cost of diapers. For a low-income family diapers can make up a significant percentage of a family's expenses. Diapers for one child may cost as much as \$936 per year. For a family of two living at the poverty line of \$15,930 per year – diapers consist of 6% of the family's income.

In a peer-reviewed study published in *Pediatrics*, the official journal of the American Academy of Pediatrics, the researchers found that 30% of women reported having diaper need. They answered in the affirmative that they did not have enough diapers to change their children as often as they would like to and 8% of families reported stretching diapers to make them last longer.¹ Stretching diapers includes: taking a diaper off, dumping the poop and putting the diaper back on the baby; air-drying diapers; and letting babies sit in diapers longer than they should.² All of these strategies leave a child vulnerable to urinary tract infections and diaper rash, both of which are otherwise preventable.

Quality, safe child care is a necessity for families moving out of poverty; however, most child care providers require parents to supply their own diapers. If a child doesn't have diapers, they are not allowed back at school. Additionally, most day care centers will not stretch diapers. This means that in order to work, a parent needs to ensure that their child has enough diapers to get through the week.

Easing the financial burden of diapers is not only healthier for the child, but benefits the family's economic well-being.

MAP appreciates your consideration and urges a favorable report for support SB 40.

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.

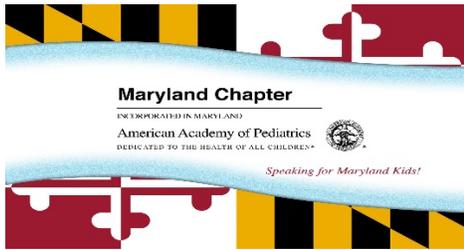
¹ Ibid.

² Olga Khazan. "The Diaper Dilemma." *The Atlantic*. July 21, 2015.

SB 40 - MDAAP - SUPPORT - Pam Kasemeyer

Uploaded by: Kasemeyer, Pam

Position: FAV



TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Clarence K. Lam

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Richard A. Tabuteau

DATE: January 9, 2020

RE: **SUPPORT** – Senate Bill 40 – *Sales and Use Tax – Diapers – Exemption*

The Maryland Chapter of the American Academy of Pediatrics (MDAAP) is a statewide association representing more than 1,100 pediatricians and allied pediatric and adolescent healthcare practitioners in the State and is a strong and established advocate promoting the health and safety of all the children we serve. On behalf of MDAAP, we submit this letter of **support** for Senate Bill 40.

Senate Bill 40 expands on Maryland's current tax exemption for baby oil, baby powder, sanitary napkins, and tampons to include diapers. Maryland is to be applauded for its existing recognition that it is unfair to impose a tax burden on women and families, especially when it involves their basic biology. The necessity of feminine hygiene products and diapers are self-evident. Providing a mechanism to lower the cost of these products is particularly important for economically disadvantaged women and their families. Expansion of Maryland's current exemption to include diapers is a logical extension of an appropriate and fair tax policy. MDAAP urges a favorable report.

For more information call:

Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Richard A. Tabuteau
410-244-7000

TheArc_AndeKolp_FAV_SB40

Uploaded by: kolp, ande

Position: FAV



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www.thearcmd.org

**Senate Bill 40- Sales and Use Tax - Diapers - Exemption
January 9, 2020**

Position: Support

The Arc Maryland is the largest statewide advocacy organization dedicated to the rights and quality of lives of children and adults with intellectual and/or developmental disabilities. I am here today in support of SB 40 as amended to include clarification of tax exemption extension to adult diaper and other absorbent incontinence products.

There is a significant portion of the population The Arc supports who require diapers or other absorbent pads and products for incontinence and maintenance of personal hygiene. Although it appears adult incontinence products were intended to be covered as tax exempt purchases under existing law, retailer ambiguity persists and some parents report they are being taxed for these products. We therefore appreciate Senator Lam's agreement to include clarifying language through this bill, as an additional assurance so that people who experience incontinence are able to access personal hygiene products they need tax-free.

Thank you!

Sincerely,

Ande Kolp
The Arc Maryland

MarylandFamilyNetwork-Morrow_FAV_SB40

Uploaded by: morrow, beth

Position: FAV



Testimony Concerning SB 40
“Sales and Use Tax – Diapers - Exemption”
Submitted to the Budget and Taxation Committee
January 9, 2020

Position: Support

Maryland Family Network (MFN) supports SB 40 “Sales and Use Tax – Diapers – Exemption,” which would provide an exemption from the sales and use tax for the sale of diapers.

MFN has worked since 1945 to improve the availability and quality of child care and other supports for children and families in Maryland. As the largest and oldest statewide child advocacy organization in Maryland, MFN is strongly committed to ensuring the health and well-being of children across our state.

The cost of diapers can keep low-income families from maintaining an adequate supply of diapers and can present an obstacle to attending child care and work. Buying diapers in bulk quantities can save money, but doing so requires the ability to transport a very large box, which can be difficult without access to a car or the ability to get to a big box store.

An insufficient supply of clean diapers can cause health issues for both the child and the mother. Long periods of time in a wet or soiled diaper can lead to diaper rash or urinary tract infections in children. An inability to meet the basic needs of her young child can contribute to higher levels of stress for the mother, which may lead to maternal depression and an increased risk of child maltreatment.

MFN oversees the State’s network of Family Support Centers, which do not provide diapers, and is also the largest provider of Early Head Start, which does. Anecdotal reports from service providers in our Early Head Start network indicate that parents often maximize the access to free diapers by arriving in the morning with the child in a dirty diaper, knowing the program will provide a clean one at no charge, and at the end of the day, by changing the child one final time before leaving, saving themselves the worry and expense of obtaining another diaper. Providers actually report a hesitation to leave too large a quantity of diapers out in public areas because they will disappear, taken home by parents unable to obtain diapers at home.

Currently, adult diapers are tax-exempt, but diapers sized for children are not. Legislation altering the definition of disposable medical supplies to include diapers that are sized for children is long overdue. To ensure healthy babies and healthy families, MFN urges your favorable consideration of SB 40.



ACY Supp SB 40 (1)

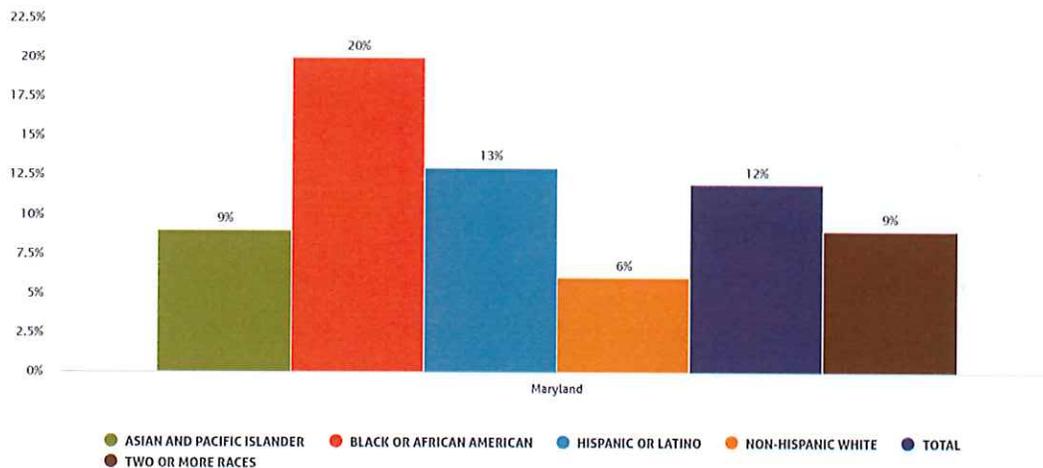
Uploaded by: Rock, Melissa

Position: FAV



To: The Honorable Guy Guzzone, Chairman, Budget and Taxation Committee
 From: Melissa S. Rock, Birth to Three Strategic Initiative Director
 Re: **SB 40: Sales and Use Tax—Diapers—Exemption**
 Date: January 9th, 2020
 Position: SUPPORT

Across Maryland, there are currently 219,724 children under age 3.¹ Statewide, there are 51,000 children under age 5 living at the federal poverty rate.² There are 76,000 children under three in families receiving the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). By age, that is 34,000 infants, 23,000 one-year olds, and 19,000 two-year olds. According to ShareBaby, low income families spend 12% of their gross income on diapers.³ Nationally, one in three families experience diaper need.⁴ (Please see the attached "Maryland Diaper Facts" for more details.) There aren't any state or national assistance programs that allocate funding specifically for buying diapers. Parents who cannot provide diapers for their babies, are sometimes unable to send their babies to daycare which leads to missed workdays further exacerbating that family's poverty.



Children In Poverty (100%) By Age Group And Race And Ethnicity : 0 To 5 (Percent) - 2018

National KIDS COUNT
 KIDS COUNT Data Center, datacenter.kidscount.org
 A project of the Annie E. Casey Foundation

¹ [https://nationaldiaperbanknetwork.org/wp-content/uploads/2019/02/2018 State Diaper Facts 11 2018 Maryland.pdf](https://nationaldiaperbanknetwork.org/wp-content/uploads/2019/02/2018-State-Diaper-Facts-11-2018-Maryland.pdf) (See attached.)

² <https://datacenter.kidscount.org/data/tables/5650-children-in-poverty-by-age-group?loc=22&loct=2#detailed/2/22/false/37,871,870,573,869,36,868,867,133,38/17,18,36/12263,12264>

³ <https://sharebaby.org/the-need/>

⁴ Id.

As you can see by the graph above, young Black children are overrepresented when looking at children living in poverty. While White children under 5 are 40% of the population, they are only 6% of the impoverished population. In contrast, Black children represent 20% of impoverished children under 5. As a state we need to take steps to eradicate these racial disparities and eliminating the sales tax on diapers, especially for families with lower incomes, could help do that. Waiving sales tax on diapers, at least for families with limited resources, can help alleviate the financial stress babies place on low income families.

We urge this committee to issue a favorable report on SB 40 an waive sales tax on diapers, at least for families with lower incomes.



Maryland Diaper Facts



Compiled by the National Diaper Bank Network

Diapers are as essential to a baby's healthy development as a mother's love. Keeping infants and toddlers clean, dry, and healthy is key to building a solid foundation for all children to reach their full potential. But one in three families struggles to provide clean diapers for their baby.

Maryland's Children Need Diapers

Maryland

219,724

Total Population
Under Age 3

United States

11,936,322

Total Population
Under Age 3



16%
of children under
age 18 are infants
or toddlers

16%
of children under
age 18 are infants
or toddlers

8%
Live in families
earning less than
100% of FPL *

18%
Live in families
earning 100%
to 200% of FPL

20%
Live in families
earning less than
100% of FPL *

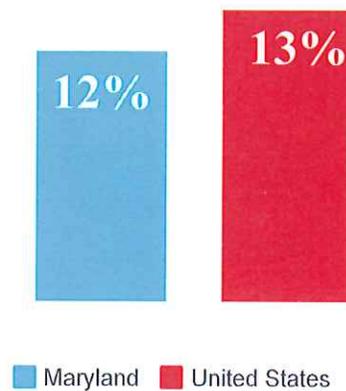
22%
Live in families
earning 100%
to 200% of FPL

* FPL = Federal Poverty Level

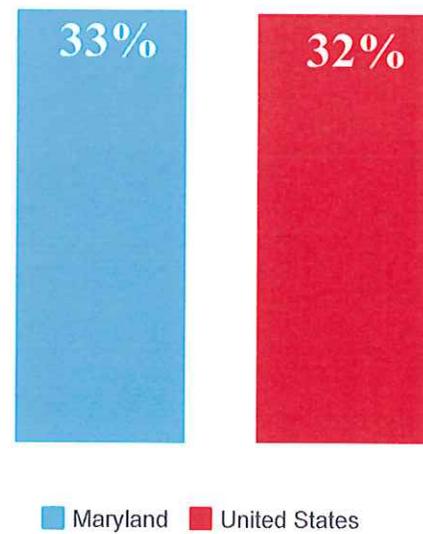
Maryland's Babies Need Strong Foundations

Children in low-income families are at greatest risk of suffering the effects of diaper need because many families can't afford diapers. Current public support programs help some, but young children have additional needs necessary to build a strong foundation for healthy growth and to reach their full potential.

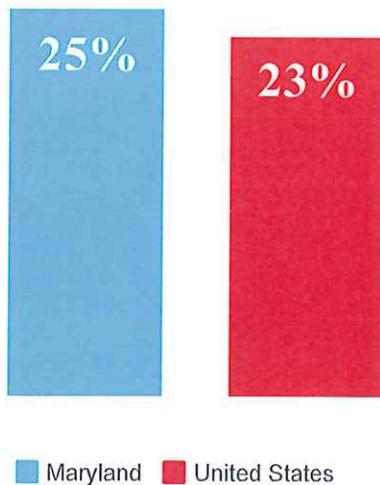
Percentage of SNAP Recipients Under Age 5



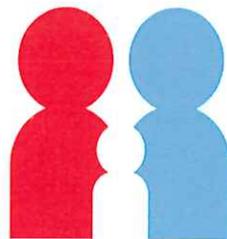
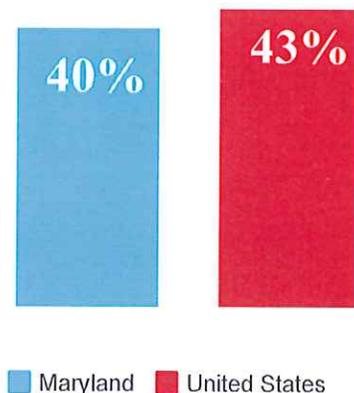
Percentage of TANF Families with at Least One Child Under Age 3



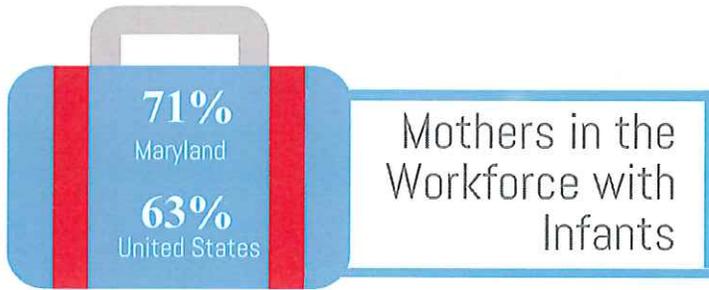
Percentage of WIC Recipients that Are Infants



Percentage of Births Covered by Medicaid



Diapers Are Essential to the Well-Being of Maryland's Families



Most child care facilities require parents to provide diapers for their child. Nationally, 57% of parents experiencing diaper need who rely on child care said they missed an average of four days of school or work in the past month because they didn't have diapers.

Cost of Infant Care as a Percentage of Income



Early Education Programs Help Maryland's Children

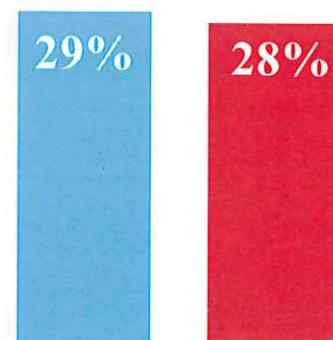
Early Head Start provides child and family development services for infants, toddlers, and pregnant women. Center-based EHS programs provide diapers for infants and toddlers. Other federally funded child care assistance programs don't. For families enrolled in the latter, not having access to diapers removes a key building block for strong families. Without diapers a parent cannot go to work, and not working disqualifies a parent from vital child care resources.

Nationwide, **154,352** infants, toddlers, and mothers participate in Early Head Start.

1,687 are from Maryland.



Children Under Age 3 Receiving Federal Child Care Support



■ Maryland ■ United States

TANF & Diapers in Maryland

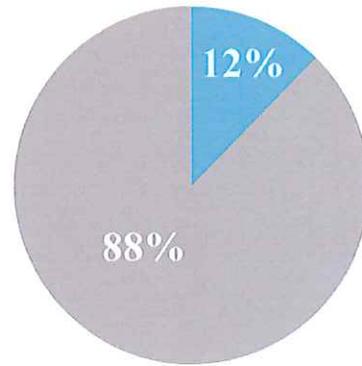
An average monthly supply of diapers costs approximately \$80. The only federal assistance program that can be used for diapers is TANF, but TANF has to cover many other expenses, including heat, electric and water bills, rent, clothing, transportation, and other basic needs. Little if any money is available to purchase enough diapers to keep a baby clean, dry, and healthy.

Max Benefit for Family of 3
(1 Parent & 2 Children)



■ Maryland ■ US Average

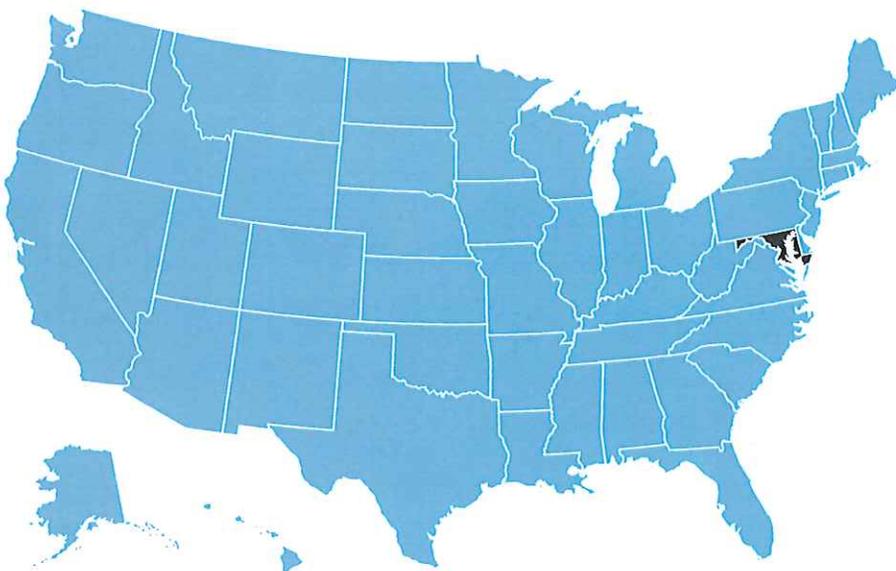
Diaper Costs Compared to
Benefit



■ Diapers (12.35%) ■ Everything else (87.65%)

In Maryland, there is a 12 month exemption from the work-related activity requirement after the birth of a child for single parent households receiving TANF payments.

Maryland's Diaper Banks Help Fill the Gap



Maryland's

3

NDBN-member
diaper banks distribute

269,918

diapers annually.

NDBN Working to End Diaper Need

The National Diaper Bank Network works to ensure that every child in the United States has enough diapers to remain clean, dry, and healthy. Diaper banks across the country are working to eliminate diaper need by providing families with diapers.

200+ NDBN-member diaper banks distribute over

64 million diapers annually!

All diaper banks require community support and donations of diapers and dollars to improve the well-being of children and families in local communities.

Learn how you can help at nationaldiaperbanknetwork.org



National Diaper Bank Network



@diapernetwork



@diapernetwork

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WelfareAdvocates_Vaughan_FAV_SB40

Uploaded by: Vaughan, Regan

Position: FAV



Welfare Advocates

Founded 1979

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TESTIMONY IN SUPPORT OF SB 40 Sales and Use Tax - Diapers – Exemption

Senate Budget & Taxation Committee
January 9, 2020

Welfare Advocates is a statewide coalition of community-based organizations, advocacy groups, faith communities, and consumers, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.

As SB 40 would exempt diapers from the sales tax, **Welfare Advocates supports SB 40**. Diapers are a necessary expense for families with young children. For low income families receiving Temporary Cash Assistance, diapers are a significant portion of the family's income. 1 in 3 Temporary Cash Assistance payees has a child under the age of 3.¹ The average cost of an adequate supply of diapers is \$18 per week, \$72 per month or \$936 per year, per child.² A TCA recipient with one child receives a maximum of \$503 per month in cash assistance and a maximum of \$357 from the food supplement program. Assuming she receives the maximum amounts, approximately 14% of her cash or 8% of her total monthly income is spent on diapers. (It should be noted that food stamps cannot be used to purchase diapers.)

In addition, to the obvious budgetary issues, diaper need can also effect a TCA recipient's participation in the TCA program. TCA recipients are required attend a work activity in order to receive benefits. A child care subsidy is provided so that the parent can attend their work activity. However, most child care providers require parents to supply an adequate supply of disposable diapers. Diaper need has been identified as a reason that parents may not attend work or school.³ Missing a work activity can jeopardize the family's participation in the TCA program. It's an awful cycle where the family needs TCA to purchase diapers, but in order to participate in TCA the family needs to purchase more diapers. Anything we can do to reduce the burden of purchasing diapers will ultimately help low income families.

For the reasons stated above, Welfare Advocates respectfully urges a favorable report on SB 40.

Submitted by Lisa Klingenmaier, Chair

¹ Lauren A. Hall. *Life After Welfare - 2015 Annual Update*. University of Maryland School of Social Work Ruth Young Center for Families & Children.

² Megan V. Smith, et al. "Diaper Need and Its Impact on Child Health." *Pediatrics*. August 2013

³ Ibid.
