

MD Catholic Conference_SB 18_FAV.pdf

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ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

January 21, 2021

SB 18

**Income Tax – Subtraction Modification -
School Supplies for Home Instruction and Virtual Learning Programs**

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference offers this testimony in SUPPORT of Senate Bill 18. The Catholic Conference represents the public policy interests of the three (arch)dioceses serving Maryland, including the Archdioceses of Baltimore and Washington and the Diocese of Wilmington, which together encompass over one million Marylanders. We offer this testimony on behalf of approximately 50,000 students served by over 150 Catholic schools in Maryland, as well as all other Maryland students in public and nonpublic schools who are learning virtually in some capacity during the ongoing coronavirus pandemic.

Senate Bill 18 would afford parents or guardians of kindergarten through grade twelve students the ability to utilize a subtraction modification in the amount of \$250 for the 2021 tax year for expenses necessitated by virtual learning because of the coronavirus pandemic.

Since the beginning of the school year, significant proportions of Catholic school parents in Maryland have been facilitating their children's hybrid learning needs. Many schools have engaged in at least some form of distance learning, whether part of the time or on alternating days. Many parents have even elected to have their students learn entirely virtually at the present time. Regardless of the varying models chosen by parents or facilitated by our public or Catholic and other nonpublic schools in Maryland, many parents have likely incurred significant additional expenses at a time when many have been duly challenged financially by the pandemic.

As Maryland's Catholic schools educate tens of thousands of lower and middle-income students, the Maryland Catholic Conference offers its support for Senate Bill 18 as a means of assisting their families. We thus encourage your support and a favorable report for Senate Bill 18.

SB0018-BT_MACo_OPP.pdf

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Senate Bill 18

Income Tax - Subtraction Modification - School Supplies for Home Instruction and Virtual Learning Programs

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: January 21, 2021

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

The swift and unprecedented shock of the COVID-19 public health crisis has wreaked havoc on the economy. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally.

The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but welcomes tools to grant counties options and flexibility to pursue their own parallel tax incentives, or to develop others to suit their local needs.

The General Assembly routinely considers proposals to change tax structures, often seeking to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals often are focused exclusively on the state's tax structure, but sometimes extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently advocates against statewide solutions that mandate county compliance or otherwise override local decision-making.

Property taxes show the best collaborative way to enact targeted tax relief. The State and its local governments already work together here – where the State routinely grants a state-level tax credit, but then enables county governments to enact their own as a local option.

State proposals that involve local revenue sources can be enacted as “local option” offerings, to allow counties maximum flexibility to achieve local goals.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments hope the Committee finds these comments helpful. Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input.