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Anne Arundel County

Budget and Taxation Committee

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Joint Committee on Administrative,
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Joint Committee on the Chesapeake and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 15, 2022

Testimony in Favor of SB408
Income Tax Credit - Parent of Stillborn Child

Chair Guzzone, Vice-Chair Rosapepe, & members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 408 - legislation to create foundational support for families experiencing and recovering from the unparalleled hardships of stillbirth. A stillborn child is defined by the Internal Revenue Service (IRS) as a 20 weeks gestation or older fetus that has passed before birth¹. The challenges and grief associated with stillbirth are often unaddressed tragedies that place both immense emotional and financial burden on families. By instituting a \$1,000 refundable credit per parent against the state income tax, the parent or a parent of a stillborn child can receive essential support.

This critical form of financial support assists grieving families pay for medical bills, cost of preventative care, autopsy, funeral costs, therapeutic and other mental health services, and additional leave time not covered by the Family and Medical Leave Act (FMLA). These costs can often add up to the sum of thousands of dollars. Such a tax credit for a stillborn child is consistent with the broader reproductive justice-based right of each parent - this tax credit affirms not only parenthood, but also provides financial assistance for the staggering costs of stillbirth.

Under the FMLA, eligible employees have the right to take unpaid leave to care for their own serious health conditions, amongst other purposes; however, stillbirth is not considered a serious health condition under the FMLA². Moreover, the IRS specifies that families who experience stillbirth cannot claim their child as a dependent, as state or local law must treat the child as having been born alive with official documentation such as a birth certificate³. The exclusion of parents or a parent of a stillborn child in Federal protections and services proves to be continued disservice to grieving families.

Within the past decade, there has been a nationwide push to adopt a refundable stillborn tax provision to legitimize and assist families experiencing this hardship. With the advent of the novel COVID-19 pandemic, medical research has found that stillbirths have increased from approximately 14 per 1,000 births prior to lockdown to a significant 21 per 1,000 births by June 2021 -- a rise of almost 50%⁴. In response to these growing figures, the states of Wisconsin and Minnesota have taken enormous strides in pursuing a \$2,000 refundable stillborn credit for the parents or parent of a stillborn child⁵. Other states - including the states of Arizona, Michigan, Indiana, Missouri, North Dakota, and Arkansas - have passed legislation that offers a range of tax credit support for stillbirth. As of

¹ <https://www.irs.gov/faqs/filing-requirements-status-dependents/dependents/dependents-10>

² <https://www.abetterbalance.org/resources/miscarriage-workplace-rights/>

³ <https://www.irs.gov/faqs/filing-requirements-status-dependents/dependents/dependents-10>

⁴ https://spectrumnews1.com/wi/milwaukee/news/2021/03/25/-wisconsin-lawmakers-consider--2-000-stillborn-tax-credit-for-third-time?cid=id-app15_m-share_s-web_cmp-app_launch_august2020_c-producer_posts_po-organic&fbclid=IwAR21ckzehyfhVVSU7aPMi_lFDyCS3yFj1S10eY5zIFvvgknxxHu9ffatZmhM

⁵ https://spectrumnews1.com/wi/milwaukee/news/2021/03/25/-wisconsin-lawmakers-consider--2-000-stillborn-tax-credit-for-third-time?cid=id-app15_m-share_s-web_cmp-app_launch_august2020_c-producer_posts_po-organic&fbclid=IwAR21ckzehyfhVVSU7aPMi_lFDyCS3yFj1S10eY5zIFvvgknxxHu9ffatZmhM

2022, states such as New Jersey, Iowa, Ohio, California, and Maine have begun efforts to campaign for statewide stillborn tax credits.

In Maryland, families who experience this tragedy are encouraged to obtain a Maryland Certificate of Birth Resulting in Stillbirth from the Division of Vital Records of the MDH; however, there is little support available for the parent or parents of a stillborn child beyond MDH registration⁶. By adopting this stillborn credit legislation, Maryland can join the growing collective of states offering greater financial protections and support for families experiencing the loss and hardships of stillbirth.

Once again, I respectfully request a favorable report on Senate Bill 408 to ensure that all Maryland families are eligible to receive financial support in the event of a stillbirth.

⁶ https://health.maryland.gov/vsa/Documents/Certificates/Certificate%20of%20Birth%20Resulting%20in%20Stillbirth/Stillbirth%20%20Application_20170627.pdf