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THE MARYLAND HOUSE OF DELEGATES
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SB 235 Income Tax-Personal Exemption-Disabled Individuals

Testimony Before the Senate Budget and Taxation Committee

January 25, 2022

HSB 235, *Income Tax- Personal Exemption-Disabled Individuals* provides an equitable tax exemption to a cohort of disabled persons who are permanently disabled but who also continue to maintain employment, thereby preventing them from utilizing existing exclusions for total disability. This legislation would alter our state tax law to provide this population of working disabled with a \$1,000 deduction to help offset the expense for the added significant costs they bear related to their disability while they try to maintain participation in our workforce.

Currently we only allow those with the physical disability of blindness to deduct a \$1,000 as an exemption for taxable income.

As a legislative body each session we re-evaluate the tax code and offer amendments to current policy and this proposal would make a small change that help alleviate increased federal tax burdens, especially for this disabled population, by expanding the exemption currently allowed only for the disability of blindness to other employed persons with a permanent physical disability.

The working disabled truly need the exemption – the fiscal notes state that only about 39% of Maryland adults with disabilities are employed and their mean income is about 30 % lower than individuals without disabilities

They make less income yet incur significant added expenses that others do not face—they often have added costs just to maintain their ability to stay employed which include but are not limited to:

- Major adjustments in living spaces;
- Adjustments to vehicles;
- The purchase of additional devices to help with independent living;
- Costly technology to help run houses or computers;
- Increased food costs which sometimes include prepared meals due to physical limitations in the kitchen;
- Health expenses not covered by insurance which can include very expensive adult diapers, catheters, wound supply items or excluded medications.

In the tax code we already allow individuals who are considered totally disabled and unable to work to avail themselves of a pension exclusion. In the code, individuals who have a mental or physical impairment which prevents them from engaging in gainful activity due to an impairment of long, continued and indefinite duration— must submit a certification from a qualified physician stating the nature of the impairment and that the person is totally disabled. This bill would include an amendment to mirror this certification requirement.

This small but deserving segment of Marylanders merit our assistance in maintaining their gainful employment and through this tax exemption we can assist them in continuing their employment. I encourage a favorable report on SB 235.