2022 SB235. Valentino-Smith. Testimony.pdf

Uploaded by: geraldine valentino-smith

Position: FAV

Geraldine Valentino-Smith
Legislative District 23A
Prince George's County

Appropriations Committee

The Maryland House of Delegates
6 Bladen Street, Room 427
Annapolis, Maryland 21401
301-858-3101 · 410-841-3101
800-492-7122 *Ext.* 3101
Fax 301-858-3294 · 410-841-3294
Geraldine.Valentino@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
Annapolis, Maryland 21401

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.

Maryland Catholic Conference_FAV_SB235.pdf
Uploaded by: Jenny Kraska
Position: FAV

MARYLAND CATHOLIC CONFERENCE

ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

January 25, 2022

SB 235
Income Tax-Personal Exemption-Disabled Individuals

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference ("Conference") represents the public policy interests of the three Roman Catholic (arch)dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 235 aims to expand the existing personal exemptions for disabled individuals under the Maryland income tax; allowing an individual that has a permanent physical disability, including blindness to claim the additional deduction. Currently, Maryland's income tax only allows for an additional deduction if the individual is a blind.

The Conference works to support legislation that benefits the members of our community in a positive and non-discriminatory way. Senate Bill 235 aims to do just that by expanding the existing eligibility to personal exemptions under the State income tax and easing the burden on some of Maryland's most vulnerable citizens.

Senate Bill 235 would have a direct and immediate effect on individuals who simply cannot make ends meet and would provide a meaningful boost to individuals and their families, enabling them to make necessary purchases and take care of basic needs. It also provides a pathway to financial stability; with more money coming back to the taxpayer, it can go into a myriad of different places to assist in being lifted out of poverty, including savings accounts and educational expenses.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 235.

10 FRANCIS STREET † ANNAPOLIS, MARYLAND 21401-1714
410.269.1155 • 301.261.1979 • FAX 410.269.1790 • WWW.MDCATHCON.ORG

SB235_PGO_MACS_DDC_ArcMD_Support.pdf
Uploaded by: Mathew Rice
Position: FAV

People On The Go Maryland — Celebrating 30 Years | Maryland Developmental Disabilities Council — Creating Change • Improving Lives | MACS Maryland Association of Community Services | The Arc Maryland

SB235 - Income Tax - Personal Exemption - Disabled Individuals
Senate Budget and Taxation Committee
January 25, 2022
Position: Support

People on the Go of Maryland, the Maryland Developmental Disabilities Council, the Maryland Association of Community Services, and The Arc Maryland are statewide advocacy organizations committed to improving opportunities and outcomes for Marylanders with intellectual and developmental disabilities (IDD). As such, we support SB235 because it would allow certain adults with disabilities to deduct an additional $1,000 from their Maryland State income tax, if the individual has a permanent physical disability, including blindness.

Under current tax law, and for several years now, a person who is blind has the option of deducting this additional $1,000 from their Maryland State income tax. This bill expands the allowable income tax deduction to all people with physical disabilities.

The precedence for combining blindness with other physical disabilities can be found dating back to 1931 when The Library of Congress established the National Library Service for the Blind and Physically Handicapped and began to distribute braille materials and phonograph records to readers who were blind in accordance with the Pratt-Smoot Act of 1930.[i] It is unclear why blindness and physical disabilities are not both currently included in the allowable deduction in the Maryland income tax code.

Maryland is an "Employment First" state, meaning we look at employment as the first option when people with disabilities leave high school. However, barriers exist for some people with disabilities in obtaining and maintaining employment. For example, people with certain physical disabilities rely on the use of a modified vehicle for travel to and from work. While vehicles can be modified or designed to accommodate a person, vehicle modifications are expensive. Wheelchair accessible transportation can also be costly, and when privately contracted, can cost more than $100 per trip.

Other people may need adaptive equipment to use as an accommodation at work. While some equipment is covered through insurance, other components are not covered regardless of the person's need.

An additional tax exemption may help people offset these costs, therefore, we support SB235.

For any questions, please contact Rachel London, Executive Director, The Maryland Developmental Disabilities Council at rachell@md-council.org.

---

[i] https://www.afb.org/online-library/unseen-minority-0/historical-chronologies/history-education-visually-impaired-people

JacksonSB235Testimony.pdf
Uploaded by: Michael Jackson
Position: FAV

Michael A. Jackson
Legislative District 27
Calvert, Charles and
Prince George's Counties

Budget and Taxation Committee
Subcommittees
Pensions
Public Safety, Transportation, and Environment

Annapolis Office
Miller Senate Office Building
11 Bladen Street, Suite 3 West
Annapolis, Maryland 21401
410-841-3700 · 301-858-3700
800-492-7122 *Ext.* 3700
Michael.Jackson@senate.state.md.us

District Office
250 Merrimac Court
Prince Frederick, Maryland 20678

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY - SENATE BILL 235
INCOME TAX – PERSONAL EXEMPTION – DISABLED INDIVIDUALS
BUDGET AND TAXATION COMMITTEE
JANUARY 25, 2022

Chair Guzzone, Vice Chair Rosapepe and Fellow Committee Members:

Senate Bill 235 is a very straightforward piece of legislation that simply allows for Maryland residents with permanent physical disabilities to claim a $1,000 income tax deduction. This bill is an expansion of the currently existing exemption for individuals who are blind, just adding those who are permanently disabled.

Individuals with disabilities face a myriad of difficulties that often require the outlay of added expenses not encountered by those who aren't forced to live with challenges. From adjustments in living spaces to adjustments in transportation, technology and personal care; this legislation would provide a small, but much-needed offset to the added expenses that these individuals encounter.

While this legislation would come with a fiscal impact, it would be an appropriate and appreciated recognition of the challenges faced by Maryland residents living with permanent disabilities.

For the reasons listed above, I ask for a favorable report of Senate Bill 235.

SB235

Uploaded by: Patrick Guibao

Position: FAV

THE AMERICAN LEGION

Department of Maryland
Legislative Committee

1020 Wallace Road, Crownsville MD 21032-1318 (Cellular) 443.949.6322 (Email) patguibao@icloud.com

STATEMENT IN SUPPORT OF SENATE BILL 0235
Before the Senate Budget and Taxation Committee
January 25, 2022

Senator Guzzone and distinguished members of the Budget and Taxation Committee

Since there are numerous veterans who suffer daily from a permanent physical disability The American Legion Department of Maryland strongly believes Senate Bill 235 providing a $1,000 personal tax exemption will enable these individuals to better care for themselves and their loved ones.

The working disabled can greatly benefit from this exemption. In 2020 only, an estimated 39 percent of working adults in Maryland are classified as adults with disabilities. Their average income is about 30 percent lower than those working adults who are not disabled.

While the working disabled receive less income often they have greater expenses in areas such as housing and transportation.

The American Legion representing 46 post and units throughout Maryland who serve more than 380,000 members and their families believe Senate Bill 235 would be a meaningful aid to this small but certainly deserving portion of our population and we earnestly request a favorable report on this bill and we commend Senator Jackson for his strong support for veterans and the disabled community.

Respectfully, yours

Patrick Guibao
Patrick J. Guibao
Chair, Legislative Committee

SB0235-BT_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF

MARYLAND Association of COUNTIES

Senate Bill 235

Income Tax - Personal Exemption - Disabled Individuals

MACo Position: **OPPOSE**

To: Budget & Taxation Committee

Date: January 25, 2022

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

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

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, but then enables county governments to enact their own as a local option.

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 stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives, but resist state-mandated changes that preclude local input.

169 Conduit Street, Annapolis, MD 21401
410.269.0043 BALT/ANNAP ◆ 301.261.1140 WASH DC ◆ 410.268.1775 FAX
www.mdcounties.org