

Maryland Catholic Conference_FAV_SB408.pdf

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ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 15, 2022

Senate Bill 408

Income Tax Credit – Parent of Stillborn Child

Senate Budget & Taxation Committee

Position: SUPPORT

The Maryland Catholic Conference represents the mutual public-policy interests of the three (arch)dioceses serving Maryland, including the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington. We offer this testimony in support of Senate Bill 408.

24,000 babies are born still in the United States each year, with [474 babies born still](#) in Maryland in 2019. Grieving a stillbirth is a unique and tragic loss, where parents return home with empty arms. Yet stillbirth also carries an economic burden for grieving families. The cost of medical care, all the preparations they made - setting up the nursery, buying a crib and baby clothes - remain the same. There may be costs for a funeral, burial, or cremation, and counseling in the aftermath.

Providing a \$1000 tax credit for families who experienced stillbirth can ease the monetary burden during their time of grief. Seven states (AK, AZ, IN, MN, MI, MO, ND) have passed stillbirth tax credits with overwhelming bipartisan support and six more states have introduced this compassionate legislation (CA, IA, NJ, NY, OH, WI).

Supporting families after stillbirth is also an equity issue. [According to the CDC](#), stillbirth disproportionately affects Black mothers, low-income mothers, and those with higher risk pregnancies due to pre-existing medical conditions, health disparities or pregnancy of multiples. Black mothers in Maryland experience stillbirth at [twice the rate](#) of White and Hispanic mothers. Mothers in Washington, Wicomico, and Prince George's counties also faced double the rate of stillbirth, with Black mothers in these counties having still higher rates.

Maryland provides families the option of receiving a [Certificate of Birth Resulting in Stillbirth](#) in addition to the death certificate, which helps grieving families acknowledge their infant. But at tax time, moms and dads of stillborn babies can be retraumatized. Parents whose infants die even a minute after birth qualify for the child tax credit, but parents of a stillborn child do not qualify. These families carry the emotional and financial cost of parents but their grief is

compounded when they are not recognized as parents under current law. Our state is working hard to address maternal and infant mortality and morbidity but for those families in these heartbreaking situations, a financial break goes a long way.

For these reasons, we urge a favorable report on Senate Bill 408.

SB408_SenElfreth_FAV.pdf

Uploaded by: Sarah Elfreth

Position: FAV

SENATOR SARAH ELFRETH
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Anne Arundel County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Chair, Pensions

Senate Chair

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