



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

**March 2, 2022**

**House Bill 978**

**Income Tax – Caregiver Tax Credit**

**House Ways & Means 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 House Bill 978.

HB 978 would allow certain caregivers to claim a credit against the State income tax for certain qualifying expense paid or incurred during a taxable year to provide certain goods, services, or support to certain family members with long-term care needs.

Caregiving is hard work; it can take a toll physically, emotionally, mentally, spiritually, and financially. These challenges are faced by many people in our Maryland communities. Pope Francis reminds us that in our communities *“The abundance of elderly people and children...is the sign that when a people care for the old and for the young, and consider them a treasure, there is the presence of God, a promise of a future.”*

This bill works to help in alleviating some of the financial burdens that are accrued by caregivers. This bill allows the amount of the tax credit is equal to 30% of the qualified expenses that exceed \$2,000. The amount of the tax credit may not exceed the lesser of \$5,000 or the state income tax imposed for that taxable year and additionally the amount of the tax credit will be reduced by \$100 for each \$1000 by which the eligible caregiver’s federal adjusted gross income exceeds \$75,000 if the eligible caregiver is filing as an individual or \$150,000 if the eligible caregiver is filing a joint tax return

For these reasons, we urge an **FAVORABLE** report on House Bill 978.