



Maryland Continuing Care Residents Association

The Voice of Continuing Care Residents

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SUBJECT: Senate Bill 461 - Retirement Tax Elimination Act of 2023
COMMITTEES: Senate Budget and Taxation Committee
The Honorable Guy Guzzone, Chair
DATE: Thursday, March 9, 2023
POSITION: **FAVORABLE**

The **Maryland Continuing Care Residents Association (MaCCRA)** is a not-for-profit organization representing the residents in continuing care retirement communities (CCRCs). Maryland has over 18,000 older adults living in CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights and financial security of current and future residents. MaCCRA SUPPORTS efforts to enhance transparency, accountability, financial security, and preserve existing protections in law and regulation for current and future CCRC residents statewide.

On behalf of the Maryland Continuing Care Residents Association, we support Senate Bill 461. As drafted the bill *"Allows, subject to certain limitations, a subtraction modification under the Maryland income tax for up to a certain amount each year for certain individuals who are receiving certain benefits under the Social Security Act or who are at least 65 years old and are not employed full-time; prohibiting income included in certain subtraction modifications from being included under the subtraction modification."*

Continuing Care Retirement Communities typically operate a complex or campus where residents start in independent living and move to other levels of care as needed. CCRCs have assisted living, typically a memory-care unit, and skilled nursing if their health and mobility decline. CCRCs are classified into three types:

- Type A ("extensive contracts" including long-term care at no monthly fee increase in cost)
- Type B ("modified contracts", including a limited amount of long-term care services at no monthly fee increase)
- Type C ("fee-for-service"; they charge much higher monthly fees to someone who moves to long term care (i.e. into the community's assisted living or comprehensive nursing care facilities).

Many CCRC residents live on a fixed income. This bill would provide additional financial relief for Seniors. It is another important tool that would allow residents to afford their accommodations and cover the care that is needed as they age in place.

For these reasons we support Senate Bill 461 and ask for a favorable report.