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Budget and Taxation Committee
Education, Business and
Administration Subcommittee

Pensions Subcommittee
Chair, Rules Committee

Joint Committees

Audit and Evaluation Committee

Children, Youth, and Families

Ending Homelessness

Fair Practices and
State Personnel Oversight

Joint Committee on Pensions

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Joanne C. Benson
SB0344: Income Tax- Caregiver Tax Credit

Good Afternoon Chair Guzzone, Vice Chair Rosapepe and members of the Budget and Taxation Committee. I am here to present SB0344 The Caregiver Tax Credit.

This legislation, which has a significant impact on many people in our state, addresses the issues and, in fact, the crisis facing families who are providing care for elderly and or disabled family members. Certain caregivers do not earn a fair wage for the amount of work they endure daily, and working-class families cannot afford to pay them their desired wage. How does one accommodate the needs of caregivers who have an essential role in providing quality of life to people who are elderly and people who are disabled? The Caregiver Tax Credit will directly impact the caregivers by providing them with a credit against their state income tax.

The goal of this legislation is to grant some caregivers a credit against their state income taxes equal to 30% of their eligible expenses that exceed \$2,000 in value. This is essential in granting a form of amnesty towards our caregiver initiatives across the state. Out of 5 million people in Maryland, 11 percent of our citizens have disabilities, and 16.3 percent are considered elderly. When combined equal to a total of 27.3 percent of Maryland residents, eligible for caregiver needs. The yearly wage within caregiver's professions rank low outside of private agencies, and are given little relief throughout their career. These conditions directly correlate to over exhaustion, which affects their quality of services provided to the residents of Maryland. These statistics emphasize the importance of caregivers and highlight their pay disparities in correlation with their work.

Caregivers who are assisting individuals with disabilities often start their workday before their client wakes up and after they fall asleep, resulting in shifts exceeding 8 hours a day. Individuals that need 24-hour assistance cannot be left alone which can put additional stress on

caregivers because they cannot be relieved to go home until the next caregiver comes to work. Insurance does not like to pay for overtime which also induces stress to caregivers. The unreliable work schedules make it difficult for caregivers to have an additional job to help pay for bills.

Thus, I respectfully urge the committee to issue a favorable report for SB0344.