

SB344 - Income Tax - Caregiver Tax Credit Testimon

Uploaded by: Abigail Snyder

Position: FAV

OFFICERS

ELIZABETH GREEN
 President
 ROBIN WEIMAN
 1st Vice President
 AMALIA HONICK
 BENJAMIN ROSENBERG
 RABBI STEVEN SCHWARTZ
 RABBI JONATHAN SEIDEMANN
 MELANIE SHAPIRO
 RABBI ANDREW BUSCH
 Past President
 HOWARD LIBIT
 Executive Director

MEMBER ORGANIZATIONS

Adat Chaim Congregation
 American Jewish Committee
 Americans for Peace Now
 Baltimore Chapter
 American Israel Public Affairs Committee
 American Red Magen David for Israel
 American Zionist Movement
 Amit Women
 Association of Reform Zionists of America
 Baltimore Board of Rabbis
 Baltimore Hebrew Congregation
 Baltimore Jewish Green and Just Alliance
 Baltimore Men's ORT
 Baltimore Zionist District
 Beth Am Congregation
 Beth El Congregation
 Beth Israel Congregation
 Beth Shalom Congregation of
 Howard County
 Beth Tfiloh Congregation
 B'nai B'rith, Chesapeake Bay Region
 B'nai Israel Congregation
 B'nai Jacob Shaarei Zion Congregation
 Bolton Street Synagogue
 Chevra Ahavas Chesed, Inc.
 Chevrei Tzedek Congregation
 Chizuk Amuno Congregation
 Congregation Beit Tikvah
 Congregation Tiferes Yisroel
 Federation of Jewish Women's
 Organizations of Maryland
 Hadassah
 Har Sinai - Oheb Shalom Congregation
 J Street
 Jewish Federation of Howard County
 Jewish Labor Committee
 Jewish War Veterans
 Jewish War Veterans, Ladies Auxiliary
 Jewish Women International
 Jews For Judaism
 Moses Montefiore Anshe Emenah
 Hebrew Congregation
 National Council of Jewish Women
 Ner Tamid Congregation
 Rabbinical Council of America
 Religious Zionists of America
 Shaarei Tfiloh Congregation
 Shomrei Emenah Congregation
 Suburban Orthodox Congregation
 Temple Beth Shalom
 Temple Isaiah
 Zionist Organization of America
 Baltimore District

Written Testimony

**Senate Bill 344 - Income Tax - Caregiver Tax Credit
 Budget & Taxation Committee – February 15, 2023
 Support**

Background: Senate Bill 344 would allow certain caregivers a credit against the State income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000.

“Qualified expenses include (but are not limited to):

- adult day care;
- specialized transportation;
- legal or financial services; and
- assistive care technology.

A qualified family member is someone who:

- is at least 18 years old;
- requires assistance with one or more daily living activities, as certified by a licensed practitioner; and
- is an immediate family member of the caregiver.

Written Comments: The Baltimore Jewish Council represents The Associated: Jewish Federation of Baltimore and all its agencies, including Jewish Community Services (JCS), Comprehensive Housing Assistance Inc. (CHAI), and CHANA. Each of these organizations provide services to Maryland’s rapidly growing aging populations.

As many of those facing the challenges of caring for a loved one can attest, the emotional, physical, and/or financial toll of being a caregiver for a loved one is immense. By offering a tax credit to those who are qualified, Maryland will help relieve some of the burden of caring for a loved one. At least 22 states and the District of Columbia have some kind of tax credit program for those individuals faced with elderly dependent care expenses.

For these reasons, the Baltimore Jewish Councils asks for a favorable report on SB344.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.

Testimony for SB344.pdf

Uploaded by: Beth Wiseman

Position: FAV

TESTIMONY IN SUPPORT OF SB344
Income Tax - Caregiver Tax Credit

As an advocate for seniors and persons with a disability, I was very pleased to see this Bill. It is one that personally related to me many years ago.

Unfortunately, but happily, I was responsible for the caretaking payment expenses of my father and my aunt - both of whom I chose to have remain in the comfort of their homes.

The major expense was paying caregivers, the cost of which far exceeded the small Social Security check they each received. Additional expenses seemed to be non-ending.

Having them go into a facility would have meant they would have had to be on Medicaid. Not everyone has a loved one who is able to do as I did.

For this reason, I believe the Committee will understand the need to save taxpayers the enormous cost of facility care vs. the family member sustaining these costs and give this Bill a Favorable vote.

Thank you.

Sincerely,
Beth Wiseman
410-484-6866

SB344 - PJC - Fav.pdf

Uploaded by: Isabel Restall

Position: FAV



Isabel Restall, Legal Intern – Workplace Justice
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409, ext. 277
restalli@publicjustice.org

SB 344: Income Tax – Caregiver Tax Credit

Hearing before the Senate Budget and Taxation Committee, February 15, 2023

Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. The PJC **supports SB 344**, which would allow eligible caregivers to claim a tax credit equal to 30% of the amount of qualified expenses that exceed \$2,000.

SB 344 will provide relief for those who dedicate their time and resources to caring for disabled and aging family members.

- As of 2020, more than one in five Americans are family caregivers. Caregivers provide important assistance to their loved ones, often at their own financial expense. Nearly 8 in 10 caregivers have routine out-of-pocket expenses, which average \$7,242 annually.¹
- This financial burden disproportionately impacts women, who make up most caregivers. The high cost of caregiving, combined with stagnant wages, can prevent women from building wealth and saving for their retirement.² SB 344 would ease this financial strain and allow all caregivers to both care for their families and avoid financial stress.

SB 344 will allow more Marylanders to age in their own homes and communities.

- The vast majority of adults – 90% – would prefer to remain in their homes as they age.³ Aging in the home allows older adults to preserve independence and retain control over aspects of their daily lives. Having an in-home caregiver as an alternative to living in a nursing facility allows individuals to maintain their community ties and social lives. Social interactions and community support help older adults prevent dementia and increase their overall quality of life.
- SB 344 will make caregiving at home more feasible for the many older adults who wish to age at home.

For the foregoing reasons, the PJC **SUPPORTS SB 344** and urges a **FAVORABLE** report. Should you have any questions, please call Isabel Restall at 410-625-9409 ext. 277.

¹ Laura Skufca, Chuck Rainville & AARP Research, *Caregiving Can Be Costly – Even Financially*, AARP, Jun. 2021, <https://www.aarp.org/research/topics/care/info-2016/family-caregivers-cost-survey.html#:~:text=The%20typical%20annual%20total%20is,in%20the%20spring%20of%202021.>

² Josephine Kalipeni, *The Economic Costs of Caregiving*, American Society on Aging, Jul. 20, 2022, <https://generations.asaging.org/economic-costs-caregiving>.

³ *The Value of Aging in Place*, USC Leonard Davis School of Genealogy, <https://gero.usc.edu/students/current-students/careers-in-aging/the-value-of-aging-in-place/>.

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

SB 344- Income Tax- Caregiver Tax Credit- LOS.pdf

Uploaded by: Jane Krienke

Position: FAV



Maryland
Hospital Association

February 15, 2023

To: The Honorable Guy Guzzone, Chair, Senate Budget & Taxation Committee

Re: Letter of Support- Senate Bill 344 - Income Tax – Caregiver Tax Credit

Dear Chair Guzzone:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 344. Maryland hospitals are facing the most critical staffing shortage in recent memory. A 2022 [GlobalData](#) report estimates a statewide shortage of 5,000 full-time registered nurses and 4,000 licensed practical nurses. Without intervention, shortages could double or even triple by 2035. MHA's [2022 State of Maryland's Health Care Workforce report](#) outlines a roadmap to ensure Maryland has the health care workforce it needs now and into the future. One recommendation is to address social and economic drivers that cause health care workers to leave the profession, including the cost and availability of child and elder care.

SB 344 allows an individual who is a caregiver for a senior family member to obtain an income tax credit for qualified non-reimbursable expenses, such as home health care, companionship services, and respite care. By 2034, older adults will outnumber children for the first time in U.S. history.¹ According to a 2020 national report, more than one in five Americans cared for an adult or child with special needs in the past year.²

At a time when Maryland hospitals face historic workforce shortages, nearly 25% of Maryland nurses said caregiver support for children and the elderly would keep them from leaving the profession in the next few years.³ Legislation like SB 344 offers important support for families who need it and aids our health care workers.

As our population ages, families and our health care system will be affected as we work to ensure there are enough health care workers to meet the need. For these reasons we request a *favorable* report on SB 344.

For more information, please contact:

Jane Krienke, Senior Legislative Analyst, Government Affairs
jkrienke@mhaonline.org

¹ U.S. Census Bureau. "[Demographic Turning Points for the United States: Population Projections for 2020 to 2060](#)".

² AARP and National Alliance for Caregiving. (May, 2020). "[2020 Report: Caregiving in the US](#)".

³ University of Maryland School of Nursing. (December, 2021). "[Maryland Nursing Workforce Center. Analysis of COVID-19's Impact on Maryland Nursing Workforce](#)".

SB344 LOS.pdf

Uploaded by: Jennifer Eastman

Position: FAV



MARYLAND COMMISSION ON CAREGIVING

MEMBERS

February 15, 2023

Jennifer Eastman, Chair

Ann Squire

Patricia Morris

Theresa Roberson

Esther Ward

Terri Johnson

Mary Anne Kane-Breschi

Trina Townsend, MS

Chalarra Sessoms, LCSW-C

Katherine Wehr

Larry Bram

Kate Farinholt

Yetunde Olobatuyi

Shalini Arora, LCSW-C

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401

RE: SB 344 - Income Tax –Caregiver Tax Credit

Dear Chairman Guzzone:

The Maryland Commission on Caregiving is pleased to submit this **letter of support for SB 344 - Income Tax –Caregiver Tax Credit**. This bill will allow taxpayers who are caregivers to a family member with a disability or impairment to claim a credit equal to 30% of qualified expenses that exceed \$2,000, up to a maximum credit of \$5,000 related to supporting the person.

Serving as the ‘voice of the Maryland family caregiver,’ the Maryland Commission on Caregiving (“Commission”) is charged with recommending policies that positively impact family caregivers, soliciting and responding to their concerns and acknowledging their contributions. A 2021 study conducted by AARP found that the average annual out-of-pocket costs for family caregivers is \$7,242¹. Considering this,

the Commission strongly supports efforts to decrease the financial burden of family caregivers who support loved ones in their homes, thus deferring admission to a more expensive and restrictive setting.

The Commission respectfully wants to raise awareness to an underutilized existing tax credit that may be duplicative of a “qualified expense” included in SB 344 which allows for “the improvement or alteration of a caregiver’s primary residence to enable or assist the qualified family member to be mobile, safe, or independent.” The Department of Housing and Community Development (DHCD) administers the Independent Living Tax Credit which allows a tax credit up to 50% of the costs of home renovations to improve accessibility up to \$5,000. DHCD seeks to be flexible and accommodating to those seeking this credit and includes a list of eligible, but non-exhaustive, renovations that would qualify for the tax credit.² Upon the Committee’s review, it might consider an amendment to SB 344 excluding that specific qualified expense.

The Commission works to ensure that caregivers across the lifespan are equipped with the resources needed to provide safe care to their loved ones. Passage of SB 344 would support such efforts which is why the Commission respectfully urges a favorable report.

Sincerely,

Jennifer Eastman
Jennifer Eastman, Chair, MD Commission on Caregiving

¹ 2021 Caregiving Out-of-Pocket Costs Study | DOI: <https://doi.org/10.26419/res.00473.003> | Report: aarp.org/caregivers

² <https://dhcd.maryland.gov/Pages/ILTC/default.aspx>

SB344_fav_AARP.pdf

Uploaded by: Karen Kalla

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

SB344 Income Tax - Caregivers Tax Credit
FAVORABLE
Senate Budget and Taxation Committee
February 15, 2023

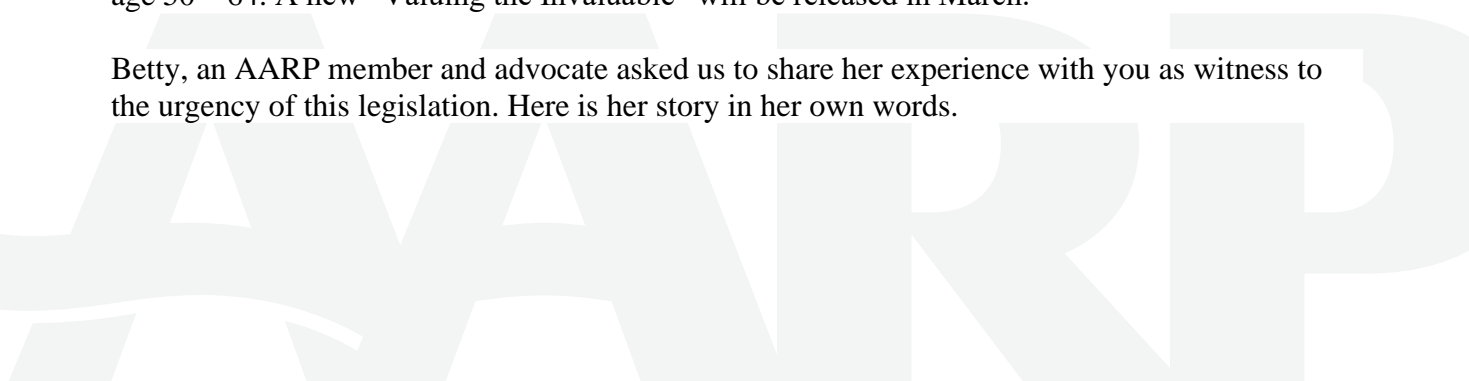
Good afternoon Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Karen Kalla, member of the AARP Maryland Executive Council and resident of Anne Arundel County. AARP MD and its members support SB344 Income Tax – Caregivers Tax Credit. We thank Senators Benson, King, and Jackson for co-sponsoring this important legislation.

AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans aged 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security and supporting safety net for seniors and low-income households in the state of Maryland is a priority.

SB344 allows caregivers who provide care or support in one or more daily activities to a family member that is over the age of 18 years to take a credit against their State income tax equal to 30% of the qualified expenses paid or incurred that exceed \$2,000. The goods and services that may be used to calculate this tax credit are explained in the bill and the tax credit cannot exceed \$5,000 in a year

In 2019, AARP’s report “Valuing the Invaluable” estimated the total cost of uncompensated care by a family caregiver in Maryland to be \$ \$9.6 million. Additionally, that same report indicated that a family caregiver spends about 660 hours per year caring for a loved one. Today’s family caregivers come from every age, racial, and socioeconomic group, and include both men and women. Family caregivers are increasing in diversity. Nearly one in four (24 percent) is a millennial, 40 percent are men, and about 40 percent represent multicultural communities. Family caregivers are increasingly involved in performing a range of complex care tasks, such as providing pain management, changing dressings, and managing medications—tasks that go beyond helping with traditional activities of daily living (like bathing or dressing) and independent activities of daily living (such as paying bills or doing housework). Most family caregivers (60 percent) are juggling paid work and caregiving, and trends suggest that with the aging of the baby boomers, an increasing share of family caregivers will be in the labor force in the future. And finally, those most likely to provide care for five years or longer are caregivers age 50—64. A new “Valuing the Invaluable” will be released in March.

Betty, an AARP member and advocate asked us to share her experience with you as witness to the urgency of this legislation. Here is her story in her own words.



My parents were married 76 years and took care of each other until they couldn't. When that time came, I needed to step in to help them, and I needed more than two weeks from work—I needed eight years! I had worked twenty-seven years for a jeweler in Baltimore for which there was no pension. I had no intention of stopping work until I had to become a caregiver for both my parents and husband. At 59 years old, I left my job and source of future income to become a caregiver for the next eight years. My mom passed away in 2012, my husband passed in 2016, and my dad passed in 2019 at 103 years old. Fortunately, my husband and I had saved enough money that I was able to devote my life to all three of them. How many people are not as fortunate as I was? The caregiver tax credit would have helped to provide a more comfortable lifestyle for them. My hope is that SB344 will pass and provide much needed relief and support for those who like me, must leave their career and for those who give of their uncompensated time and resources while working and taking care of other responsibilities.

Caregivers, by taking care of a senior-family member, help reduce the need for expensive long-term care medical and other assisted living services—services that can increase the overall costs of health insurance and state supported programs. Caregivers should not only be *recognized* for their generous personal and financial services to those in need but also *supported* by local and state services and governments. SB344 is designed specifically to compensate and provide some relief for those who give of their own time and money to care for a senior family member. Doing so will help to improve the quality of life for individuals, families, and their communities; and make Maryland a more desirable place for seniors to live.

For these reasons, AARP MD respectfully asks for the Committee to give SB344 a Favorable report. If you have any questions, please contact Tammy Bresnahan at tbresnahan@aarp.org. or by calling 410-302-8451.

SB 344 - WLCMD - FAV.pdf

Uploaded by: Michelle Siri

Position: FAV

BILL NO: Senate Bill 344
TITLE: Income Tax - Caregiver Tax Credit
COMMITTEE: Budget & Taxation
HEARING DATE: February 2, 2023
POSITION: **SUPPORT**

Senate Bill 344 seeks to provide an income tax credit of up to 30% of the cost of qualified expenses related to the caregiving of an immediate family member. These qualified expenses can include the cost of personal or in-home care, assistive care technology, and even legal or financial services related to the care. As our nation faces an on-going crisis of care, derived from the pandemic, staffing shortages, and an increasingly aging population, any relief we can provide to members of the sandwich generation will benefit Maryland families.

All over the world, women are the predominant caregivers, whether that is for children, sick spouses, or elderly parents. The statistics hold true here in Maryland. Nearly 40% of Marylanders are providing regular care or assistance to an elderly parent or parent-in-law, and 57% of all caregivers in Maryland are women¹. This unpaid and often invisible labor can be intense, with a quarter of the caregivers providing at least 20 hours of care per week. At the same time, two-thirds of Maryland families have a woman as the sole, primary, or co-breadwinner². These families are disproportionately lower-income and the least able to afford the cost of caregiving. Caregiving creates significant financial challenges for many women workers, due to lost wages from time out of the workforce, paying for prescription medications, or purchasing medical supplies. Studies have shown that women who are family caregivers are 2.5 times more likely than non-caregivers to live in poverty and five times more likely to receive Supplemental Security Income³.

AARP recently reported that approximately 78% of caregivers report regularly spending their own money on caregiving expenses and that they spend, on average, 26% of their income on caregiving expenses⁴. Their assistance helps save taxpayer dollars by helping to delay or prevent more costly nursing home care and unnecessary hospital stays. The Caregiver Tax Credit would create a new, tax credit of up to \$5,000 for eligible family caregivers to help address the financial challenges of caregiving

As SB 344 seeks to ease some of the financial burdens on caregivers, which in turn will support Maryland families and enable continued economic security for women in Maryland, the Women's Law Center of Maryland, Inc. urges a favorable report on Senate Bill 344.

The Women's Law Center of Maryland is a non-profit legal services organization whose mission is to ensure the physical safety, economic security, and bodily autonomy of women in Maryland. Our mission is advanced through direct legal services, information and referral hotlines, and statewide advocacy.

¹ <https://www.cdc.gov/aging/data/infographic/2019/maryland-caregiving.html>

² <https://www.americanprogress.org/article/breadwinning-mothers-continue-u-s-norm/>

³ <https://www.caregiver.org/resource/women-and-caregiving-facts-and-figures/>

⁴ <https://www.aarp.org/caregiving/financial-legal/info-2021/high-out-of-pocket-costs.html>

SB344_DDCoalition_Support.pdf

Uploaded by: Rachel London

Position: FAV



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland

Senate Budget and Taxation Committee

February 15, 2023

SB 344 Income Tax – Caregiver Tax Credit

Position: Support



8601 Robert Fulton Dr
Suite 140
Columbia, MD 21046



1500 Union Avenue
Suite 2000
Baltimore, MD 21211



8835 Columbia 100 Pky
Suite P
Columbia, MD 21044



Maryland Developmental
Disabilities Council

217 E Redwood Street
Suite 1300
Baltimore, MD 21202



7000 Tudsbury Road
Windsor Mill, MD 21244

The Maryland Developmental Disabilities Coalition (DD Coalition) is comprised of five statewide organizations that are committed to improving the opportunities and outcomes for people with intellectual and developmental disabilities (IDD) and their families. As such, the DD Coalition supports SB 344.

According to American Community Survey estimates, 11% of Marylanders live with a disability. According to the National Academy of Elder Law Attorneys, approximately 90% of long-term services and supports received in the United States are provided by informal, unpaid caregivers such as family members, friends, and neighbors. The same is true in Maryland.

People with disabilities require a variety of support needs, the majority of which are provided by family caregivers. In recognition of this, in 2014, the Developmental Disabilities Administration (DDA), in partnership with the Maryland Developmental Disabilities Council, began the Community of Practice for Supporting Families. This project recognizes families as the most important group of people in our society, serving as a source of support for all its members. For people with IDD, the role of family is unique, and often key in the support and care provided across the lifespan.

Maintaining the balance of work and care for oneself or a family member is a challenge for anyone, but is particularly challenging for people who provide that care to family members with disabilities. The effects of disability are intrinsically tied to issues of economic insecurity and instability.

- The Center for American Progress notes that **“disability or illness can lead to job loss and reduced earnings, barriers to education and skills development, significant additional expenses, and many other challenges that can lead to economic hardship.”**¹
- One survey found that **more than 70% of family members providing care for people with intellectual and developmental disabilities reported that caregiving interfered with their work.**²
- Another study found that the odds of a worker losing income increase by 48% if the worker lives with a child with disabilities and special health care needs and by 29% if the worker is caring for an adult with disabilities or health issues.

This legislation begins to address some of the financial hardships caregivers face which have been amplified for many since the pandemic, and continue.

Contact:

Rachel London, Executive Director, Maryland Developmental Disabilities Council
rlondon@md-council.org

¹ May 2011. The Arc. *2010 FINDS National Survey: Family and Individual Needs for Disability Support.*

² January 2015. Center for American Progress, *A Fair Shot for Workers with Disabilities.*

SB344-Caregiver Tax Testimony

Uploaded by: Senator Benson Senator Benson

Position: FAV

JOANNE C. BENSON
Legislative District 24
Prince George's County



James Senate Office Building
11 Bladen Street, Room 201
Annapolis, Maryland 21401
410-841-3148 · 301-858-3148
800-492-7122 Ext. 3148
Fax 410-841-3149 · 301-858-3149
Joanne.Benson@senate.state.md.us

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.

1 - SB 344 - B_T - ADRD Council - LOS.docx.pdf

Uploaded by: State of Maryland (MD)

Position: FAV

VIRGINIA I. JONES ALZHEIMER'S DISEASE AND RELATED DEMENTIAS COUNCIL

MEMBERS

Halima Amjad, MD, PhD, MPH, Chair

Senator Malcolm Augustine

Arnold Bakker, MA, PhD

Jacqueline Bateman, DNP, RN, CHPN

Cynthia Fields, MD

Ernestine Jones-Jolivet

David McShea

Ana Nelson

Pamela Williams, MHA

Nancy Rodriguez-Weller, RPh, FASCP

Andres Salazar, MD

Delegate Sheree Sample-Hughes

Quincy M. Samus, PhD, MS

Claudia Thorne, PhD, LISW, LCSW

Evie Vander Meer

February 15, 2023

Senator Guy Guzzone
Chair, Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 344 – Income Tax - Caregiver Tax Credit

Dear Chair Guzzone and Committee Members:

The Virginia I. Jones Alzheimer's Disease and Related Dementias Council (the Council) extends its support for Senate Bill 344 (SB 344), titled "Income Tax - Caregiver Tax Credit. SB 344 establishes a state income tax credit for qualifying expenses incurred by caregivers of adult immediate family members who require care or support with activities of daily living.

While dementia is commonly considered an issue of concern for older adults, numerous neurodegenerative conditions lead to dementia in younger adults as well. Early onset dementia affects an estimated 200,000 Americans, in addition to the 6.5 million people living with dementia who are over age 65.¹ Many people living with Alzheimer's disease and related dementias (ADRD) rely on informal caregivers, often family members, to provide care and assistance in daily tasks. In 2021, estimates suggest 242,000 family caregivers in Maryland were providing care for people living with dementia, contributing 371 million hours of unpaid care per year and amounting to an estimated total economic value of \$6.8 billion.¹

In addition to the direct costs incurred by caregivers, the indirect costs of caregiving are staggering. Family caregivers are at risk for physical and emotional strain, depression, isolation, premature retirement, lost wages, and financial burden.² More than 40% of caregivers have a household income of \$50,000 or less.³ The tax credit established under SB 344 would provide meaningful financial relief to eligible family caregivers, especially lower income caregivers for whom even small caregiving-related expenses contribute to financial strain.

The Council recently released the *Maryland State Plan to Address ADRD: 2022-2026*, which sets five goals for addressing the emerging needs of Maryland's aging population.⁴ Goal 3 of the State Plan is to "enhance and expand support for family caregivers." The Council respectfully asks this Committee to approve SB 344, as it advances the goals of the State Plan and will make a significant difference in the lives of Marylanders living with dementia and their families.

¹ Alzheimer's Association. 2022 Alzheimer's Disease Facts and Figures. *Alzheimers Dementia* 2022;18.

<https://www.alz.org/media/documents/alzheimers-facts-and-figures.pdf>

² Connell CM, Janevic MR, Gallant MP. The costs of caring: impact of dementia on family caregivers. *Journal of geriatric psychiatry and neurology*. 2001;14(4):179-187. doi:10.1177/089198870101400403

³ The 2014 Alzheimer's Association Women and Alzheimer's Poll. *Alzheimers Dement*. 2014 Mar;10(2):e47-92. doi: 10.1016/j.jalz.2014.02.001.

<https://pubmed.ncbi.nlm.nih.gov/24818261/>

⁴ Maryland State Plan to Address Alzheimer's Disease and Related Dementias: 2022-2026 (May 2022). [FINAL_2021_ADRD.state.plan.docx \(maryland.gov\)](#)

Sincerely,

A handwritten signature in black ink, appearing to read 'Halima Amjad', written in a cursive style.

Halima Amjad, MD, PhD, MPH, Chair, Virginia I. Jones Alzheimer's Disease and Related Dementias Council

SB344.CaregiverTaxCredit.23 .pdf

Uploaded by: Virginia Crespo

Position: FWA



Maryland Retired School Personnel Association

8379 Piney Orchard Parkway, Suite A • Odenton, Maryland 21113

Phone: 410.551.1517 • Email: mrspa@mrspa.org

www.mrspa.org

Senate Bill 0344

In Support Of

Income Tax – Caregiver Tax Credit

Budget and Taxation Committee

Hearing: February 15, 2023, at 1:00 p.m.

Dear Honorable Senator Guy Guzzone, Chair, and Honorable Senator Jim Rosapepe, Vice Chair, and distinguished Budget and Taxation Committee members,

The Maryland Retired School Personnel Association (MRSPA) supports SB 0344 Income Tax - Caregiver Tax Credit.

MRSPA supports services and communities that help seniors age in place and remain healthy, active and independent. This bill provides Maryland caretakers a tax credit as they provide care and support for the daily activities of senior family members. Out of pocket expenses to care for an older family member such as the list in Section 10-757 A (5) of the bill can be an additional burden because they are often not reimbursed by one's insurance, or the federal or state government. Offsetting some of those expenses allows loved ones to stay at home and be as independent as possible but also helps the state of Maryland by providing unpaid care and deferring from a more costly nursing home care option or unnecessary hospitalizations.

MRSPA also suggests an amendment to remove the differentiation between single and joint taxpayers. Caring for family members at home can be very expensive and even those who earn an adequate income are severely impacted by the cost of providing in home care.

Providing care for an elderly loved one can be a costly and emotional challenge. This legislation can help with the financial costs so that family caregivers can provide the care they wish to provide while saving the state and federal governments millions of dollars that are not spent on Medicaid and Medicare in nursing homes or other care facilities. A tax credit for caregivers is long overdue.

On behalf of the over 12,000 members of the Maryland Retired School Personnel Association, we strongly urge a favorable report on SB 0344 Income Tax – Caregiver Tax Credit.

Sincerely,

A handwritten signature in black ink that reads "Carla J. Duls".

Carla J. Duls
President

A handwritten signature in blue ink that reads "Virginia G. Crespo".

Virginia G. Crespo
Legislative Aide