



MARYLAND COMMISSION ON CAREGIVING

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February 15, 2023

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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>