



Testimony to the Senate Budget & Taxation Committee
SB408: Income Tax - Subtraction Modification - Qualified Broadband Grants
Position: Favorable

February 22 , 2023

Honorable Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

cc: Members, Senate Budget & Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are in strong support of SB408.

Broadband is essential infrastructure. It is necessary for civic and cultural participation, employment, lifelong learning and access to essential services. However, like other vital infrastructure, broadband is not ubiquitous. Hundreds of thousands of households in Maryland are without internet. Expensive subscription plans tend to keep people offline in urban areas, while poor network quality often discourages subscription in rural areas. Both problems are common throughout the state.¹

While digital adoption in rural areas is an issue, the weight of these gaps fall heavily in urban and metro areas and among African American households. There are 206,000 African American households without wireline broadband service connection in Maryland, or nearly 40% of all disconnected households.² This poses a racial equity issue as access to the internet affects a wide range of factors that impact health and life outcomes.³

The COVID-19 pandemic has exposed a number of shortcomings in the nation's social infrastructure, one of which is access to the internet. Those without internet access were excluded when school moved exclusively online and medical appointments relied primarily on telehealth. This underlines the need for digital inclusion – ensuring people can get online from home, with the digital hardware and skills to enable participation in society.⁴

Economic Action Maryland provides a number of direct service programs. Several of these programs are accessible online, however a number of our clients are older adults who do not have the skills to navigate services online. For the past five years, Economic Action Maryland's SOAR (Securing Older Adult Resources)

¹ <https://communitydevelopmentmd.org/digital-inclusion>

² https://abell.org/wp-content/uploads/2022/02/2020_Abell_digital20inclusion_full20report_FINAL-web.pdf

³ <https://www.fcc.gov/health/SDOH>

⁴ <https://abell.org/publication/disconnected-in-maryland/>



program has led efforts to promote the Homeowners' Tax Credit as well as the Renters' Tax Credit. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned \$88,243.42 in tax credits to financially fragile older adults. Many of our clients would not have been able to access these benefits without direct assistance because the online application poses such a great obstacle.

This is one of many examples that demonstrate the strong relationship between broadband access and economic well being and the people left behind without digital equity. If broadband is essential infrastructure, then regulation and public policy should support every American community having equitable access to broadband and the skills necessary to use it.

For all these reasons we support SB408 and urge a favorable report.

Best,

Isadora Stern
Policy Manager