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HB0538 – Income Tax - Subtraction Modification - Water Affordability Assistance
February 16, 2023
Ways & Means Committee

FAVORABLE

On behalf of Food & Water Watch and our 44,000 supporters in Maryland, **I strongly urge a favorable report on HB 538.** This legislation will allow water affordability assistance to be subtracted from gross income for state income taxes purposes. Water bill assistance to low-income households is clearly in the nature of relief to promote the general welfare and should not be includible in gross income for tax purposes.

HB 538 will enable equitable access to water affordability assistance to tenants in multifamily homes.

Tenants in multifamily units rarely have access to low-income water assistance because they share a centralized water meter and are not individual direct customers of a water utility. Baltimore City has designed an equitable solution for this problem through its Water4All program, the comprehensive income-based water affordability program launched last year. Baltimore City provides affordability assistance directly to tenants in multifamily units on prepaid cards to offset their water costs paid to landlords. Unfortunately, the city has warned that the assistance could count as income and is requiring W9s from tenants to access the low-income water affordability program.

HB 538 will help ensure that water affordability assistance doesn't cause harm to low-income tenants.

Counting water affordability assistance as income can have cascading impacts on a low-income household, potentially jeopardizing their access to other income-qualified assistance programs. It could move them above the income thresholds and disqualify them from subsidized housing, SNAP, social security, or disability benefits. This is simply unacceptable.

HB 358 will allow Baltimore City to expand water affordability assistance to hundreds, if not

thousands, of tenant households. As of February 1, 2023, there are 64 tenant households who have been unable to access water assistance from Baltimore Water4All Program because of invalid W9s, and many more were denied access to the program because they refused to submit a W9.



The Maryland Advisory Committee to the U.S. Commission on Civil Rights similarly has recommended this action: “The state of Maryland should declare water assistance nontaxable income.”

I strongly urge you to give a favorable report on HB 538 to help ensure equitable access to water assistance for all Marylanders.

Thank you for your time and consideration,

Mary Grant

Public Water for All Campaign Director

Food & Water Watch