



**MARYLAND  
LEGAL AID**

*Advancing*  
**Human Rights and  
Justice for All**

February 1, 2023

The Honorable Delegate Vanessa Atterbeary, Chair  
House Ways and Means Committee  
House Office Building, Room 131  
Annapolis, Maryland 21401

RE: Testimony of Maryland Legal Aid in Support of House Bill 28 – Income Tax – Credit for Caregivers of Senior Family Members

Dear Chair Atterbeary and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 28. Maryland Legal Aid (MLA) is Maryland's largest non-profit law firm, with 12 offices serving each of Maryland's 24 jurisdictions, providing free civil legal services to the state's low-income and vulnerable residents. Our advocates represent individuals and families who are fighting each day to make ends meet yet struggle with basic needs, consumer debts, and housing stability. MLA submits this written testimony at the request of Delegate Mary A. Lehman. We ask that the Committee grant HB28 a favorable report and urge its ultimate passage.

HB 28 creates a tax credit for qualified expenses incurred during the taxable year in caring for a qualified senior family member, including those necessary for daily living, such as meal preparation, bathing, grooming, incontinence, ambulation, clothing, and medical device purchases. In fact, 78% of family caregivers are paying for care-related expenses out-of-pocket. Family caregivers routinely spend an average of \$7,242 of their own money for caregiving related expenses.<sup>1</sup> HB 28 addresses the needs of families; \$5000.00 or \$10,000.00 means meals on the table, mortgages paid, nursing assistance, and safety modifications. Caregivers deserve a break, and so do our elders.

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<sup>1</sup> National Association for Home Care & Hospice,  
<https://www.nahc.org/advocacy-policy/legislative-priorities/credit-for-caring-act/>.

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According to an AARP research report<sup>2</sup>, about 48 million family caregivers provide an estimated \$470 billion annually in unpaid care to their loved ones. Nearly 8 in 10 caregivers report having routine out-of-pocket expenses related to looking after their loved ones. In 2016, family caregivers spent nearly 20% of their income providing care for a senior family member. In 2021, that number increased to 26%. The strain is even greater on Latinos and African Americans, women, and younger caregivers, who have had less time to work and build up resources.<sup>3</sup>

For MLA clients, helping a senior family member means the family caregiver must juggle caregiving inside the home and their ability to make a living outside the home. By serving as family caregivers, our clients often forego the opportunity to fully participate in the workforce, resulting in decreased income, retirement savings, and career development opportunities. Our clients report having to turn down promotions and overtime, change their work schedules, take leave, or limit their hours at the job. All this cuts into their income and earning potential and magnifies their financial and personal stress. Many have little choice other than to curtail spending, dip into personal savings, take out loans, or put off retirement contributions. This has obvious negative ramifications for both their families and the Maryland economy. In other words, failing to create this tax credit might feel pennywise, but it is pound foolish.

Many of our clients also reside in multi-generational housing, caring for older adults and children simultaneously. Yet their dedication often leads to burnout, financial loss and social isolation. Family caregivers make it possible for senior family members and those with disabilities to live independently in their homes and communities where they want to be. This care allows loved ones to age in place, maintain a measure of independence, and prevents institutionalization in a hospital, nursing home, or other facility, saving taxpayers money.

By 2030, 77 million Americans will have reached age 65 and will face growing risks of chronic ailments that make it harder to live independently. Maryland can no longer leave family caregivers alone to contend with these challenges. HB 28 provides financial support for families, relief for caregivers,

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<sup>2</sup> Skufca, Laura, and Chuck Rainville. *Caregiving Out-of-Pocket Costs Study 2021*, Washington, DC: AARP Research, June 2021, <https://doi.org/10.26419/res.00473.001>.

<sup>3</sup> AARP reports that “Caregivers spend on average \$7,242 annually on care related expenses, or 26 percent of their income on average, though Hispanic /Latino and African American caregivers reported greater financial strain.” See <https://states.aarp.org/north-carolina/support-for-family-caregivers-through-the-credit-for-caring-act>.

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and a dignity for seniors. Maryland Legal Aid urges that the Committee give HB 28 a favorable report.

Respectfully Submitted,

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