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TESTIMONY ON SB#/0516- POSITION: FAVORABLE

Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0516, Property Tax - Day Care Centers, Child Care Homes, and Child Care Centers

According to Child Care Aware of America, the childcare workforce has declined by 26% since the pandemic began. Maryland alone has witnessed the closure of over 1,000 childcare programs since 2020. The situation is dire for these small businesses, many of which are run by women from marginalized communities.¹

This bill is a recognition that a childcare crisis exists in Maryland and that we can use our tax code to create a more flavorful outcome for childcare centers by reduction of their tax obligation in Maryland.

This bill contemplates exempting personal property used in connection with certain large family child care homes from valuation and taxation. It gives an authorization to the Mayor and City Council of Baltimore City or the governing body of a county or a municipal corporation to grant, by law, a property tax credit against the real property tax owed on the portion of real property used for certain large family child care homes. It gives additional consideration to increasing the maximum amount of a property tax credit that may be granted for certain child care homes and centers and day care centers.

Lack of childcare could cause parents to withdraw from the workforce costing the state of Maryland tax revenue from income that may have been earned by that person now no longer part of the workforce. Failure to pass this bill therefore impacts not only childcare facilities but the families who rely on them to permit them to work to earn income in support of the family.

I respectfully urge this committee to return a favorable report on SB#/0516.

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¹ <https://marylandmatters.org/2024/09/16/theres-a-national-child-care-crisis-its-the-wrong-time-to-suspend-funding/#:~:text=According%20to%20Child%20Care%20Aware,by%20women%20from%20marginalized%20communities.>