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SB 104 Income Tax – Credit for Individuals Residing With and Caring for Elderly Parents
Senate Budget and Taxation Committee
January 15, 2025
10:30 AM
Support

Good afternoon, Chairman Guzzone and members of the Senate Budget and Taxation Committee. My name is Tammy Bresnahan, and I am Senior Director of Advocacy for AARP Maryland. AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security. Thank you for the opportunity to testify in support of SB 104, Income Tax – Credit for Individuals Residing With and Caring for Elderly Parents. Today, I urge the committee to support this critical legislation that recognizes the invaluable contributions of family caregivers and offers them much-needed financial relief.

As our population ages, more families are stepping up to care for elderly parents within their homes. These caregivers provide not only physical assistance but also emotional and social support, often at great personal and financial sacrifice. According to the AARP, family caregivers in the United States provide an estimated \$470 billion worth of unpaid care annually. In Maryland that represents about \$7 Billion. This legislation, SB 104, represents a step toward acknowledging and alleviating the financial burden these caregiver's shoulder.

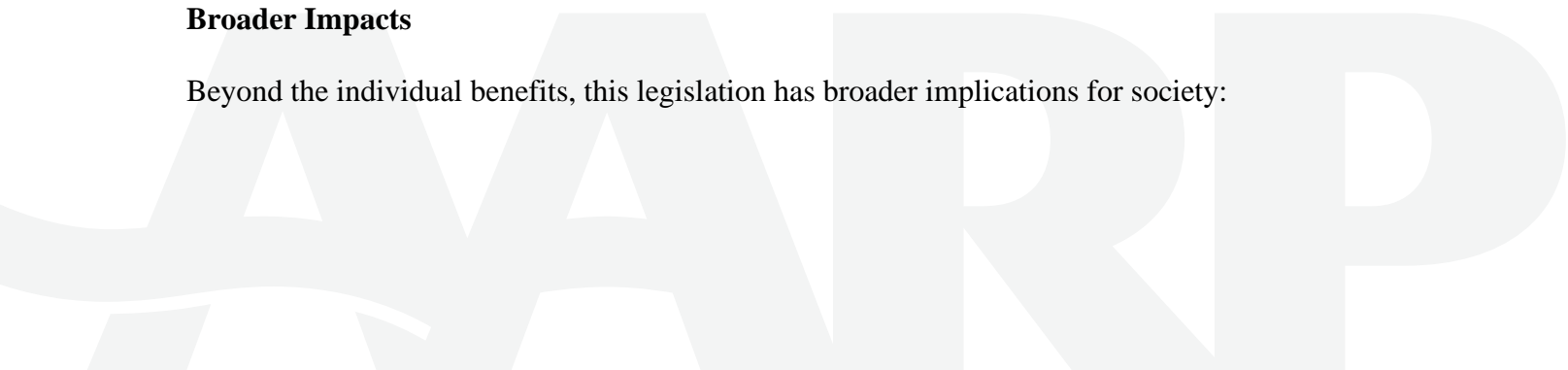
The Importance of SB 104

SB 104 provides a state income tax credit to individuals who reside with and care for their elderly parents who are at least 70 years of age. This measure acknowledges the dual challenges caregivers face: managing household finances and balancing caregiving responsibilities.

Many caregivers are forced to reduce work hours, decline promotions, or leave the workforce entirely to care for their loved ones. This loss of income, combined with increased household expenses such as medical supplies, home modifications, and transportation costs, places a significant strain on family budgets. By offering a tax credit, SB 104 would provide meaningful relief to caregivers and enable them to continue providing high-quality care to their elderly parents.

Broader Impacts

Beyond the individual benefits, this legislation has broader implications for society:



1. **Reducing Institutional Care Costs:** By incentivizing in-home care, SB 104 helps reduce the reliance on publicly funded nursing homes and long-term care facilities. This saves taxpayers money and allows elderly individuals to age in place with dignity.
2. **Supporting Mental and Physical Health:** Financial stress is a leading cause of burnout among caregivers. By providing economic support, SB 104 can improve caregivers' mental and physical well-being, enabling them to provide better care.
3. **Strengthening Family Units:** Family caregiving fosters intergenerational bonds and preserves family cohesion. This tax credit reinforces the value of family-centered care.

Conclusion

SB 104 is more than a tax credit; it is a recognition of the vital role family caregivers play in our communities and a commitment to supporting their sacrifices. By passing this legislation, Maryland can lead the way in valuing and empowering those who care for our elders.

I respectfully urge the committee to vote in favor of SB 104 and help provide the financial relief caregivers so desperately need. Thank you for considering this important legislation. For additional follow-up, please contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.