

MD Catholic Conference_SB 104_FAV.pdf

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Position: FAV



SB 104

Income Tax - Credit for Individuals Residing With and Caring for Elderly Parents

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference offers this testimony in support of Senate Bill 104. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 104 would provide those acting as caregivers to a single biological or adoptive parent a refundable tax credit of up to \$3,000 annually. To be able to claim the credit, the caregiving child must be a Maryland resident residing in the same principal residence as the parent and meet certain income threshold requirements.

As a society, it is essential that we provide for the people that have dedicated themselves to caring for those in need. In order to provide for the elderly and the disabled, we must ensure the continuance of support for caregivers in Maryland, particularly those caring directly for aging parents. In *Fratelli Tutti*, Pope Francis reminds us that, "by isolating the elderly and leaving them in the care of others without the closeness and concern of family members, we disfigure and impoverish the family itself. We also end up depriving young people of a necessary connection to their roots and a wisdom that the young cannot achieve on their own."

With a growing elderly population nationwide and hundreds of thousands of Marylanders currently caring for others, it is integral to the growth of communities that they are supported in their service to others. There is also a growing need to support these caregivers, many of whom cannot afford their care necessary for their aging immediate family members, particularly as the "Baby Boomer" generation ages. Therefore, now is an optimal time for ensuring state support for caregivers.

For these reasons, we urge a favorable report on Senate Bill 104.

SB 104 Testimony.pdf

Uploaded by: Paul Schwartz

Position: FAV

Testimony of Paul Schwartz
January 15, 2025
Senate Budget & Taxation Committee
SB 104 – Caregiver Tax Credit

I am Paul Schwartz on behalf of the National Active & Retired Federal Employees – NARFE

Medicaid is more than a quarter of Maryland's budget

And nursing homes account for a major portion of Medicaid expenditures

Anything that extends the period of home care and delays entrance into nursing homes saves Maryland money

There really is some truth to the saying: "You have to spend money to make money."

This is a prime example of that.

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill – any bill – because the Office of Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note

They simply check with the Comptroller's office and take a hard count of lost tax revenue and give you that figure in the fiscal note without factoring in any cost savings by delaying entrance into nursing homes

From the recent valuable report from AARP entitled “Valuing the Invaluable,” we know that in 2021, about 38 million family caregivers in the U.S. provided an estimated 36 billion hours of care to adults with serious or disabling health conditions with the economic value of these unpaid contributions totaling approximately \$600 billion. In Maryland, an estimated 760,000 caregivers provided about 710 million hours of care at an estimated value of \$12.5 billion.

We are experiencing a decline in revenue due in large part to declining population

Let’s keep the care recipient and the caregiver here in Maryland and not watch the caregiver move the care recipient to another state and lose their tax money including sales tax, fuel tax, property tax and state income tax to another more tax friendly state.

MSCAN_FAV_SB104.pdf

Uploaded by: Sarah Miicke

Position: FAV



Maryland Senior Citizens Action Network

MSCAN

AARP Maryland

*Alzheimer's
Association,
Maryland Chapters*

*Baltimore Jewish
Council*

Catholic Charities

*Central Maryland
Ecumenical Council*

Church of the Brethren

*Episcopal Diocese of
Maryland*

*Housing Opportunities
Commission of
Montgomery County*

*Jewish Community
Relations Council of
Greater Washington*

*Lutheran Office on
Public Policy in
Maryland*

*Maryland Association of
Area Agencies on Aging*

*Maryland Catholic
Conference*

*Mental Health
Association of Maryland*

Mid-Atlantic LifeSpan

*National Association of
Social Workers,
Maryland Chapter*

Presbytery of Baltimore

*The Coordinating
Center*

*MSCAN Co-Chairs:
Carol Lienhard
Sarah Mitche
410-542-4850*

Testimony in Support of SB 104

Income Tax - Credit for Individuals Residing With and Caring for Elderly Parents

Budget & Taxation Committee January 15, 2025

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing, health and quality of care needs of Maryland's low and moderate-income seniors.

MSCAN strongly supports SB 104. This legislation would provide those acting as caregivers to a single biological or adoptive parent a refundable tax credit of up to \$3,000 annually. To be able to claim the credit, the caregiving child must be a Maryland resident residing in the same principal residence as the parent and meet certain income threshold requirements.

All of our member organizations provide support to family caregivers and are touched by their devotion to their loved ones and how hard they work to keep them at home where they really want to be. The statistics regarding the importance of caregiving are staggering. In Maryland 760,000 family members provide over 710,000,000 hours of uncompensated care valued at more than \$12.5 billion dollars each year. 40% of Maryland adults provide regular caregiving support to a loved one, 57% of caregivers are women and 25% of caregivers spend at least 20 hours per week of support to their loved ones. The economic impact of caregiving disproportionately affects lower income minorities and women who may have to forgo wages in order to provide care. Often at great personal and emotional cost to themselves, family caregivers save the state millions of dollars in unnecessary hospitalizations and nursing placements. Without support, caregivers themselves can burn out and SB 104 would provide modest, but important relief.

While it is clear that SB 104 would have a fiscal impact as it provides some tax relief to family caregivers, the bill could actually save the State money. The current cost of nursing home placement for one senior is over \$120,000. If we allow just 150 of Maryland's 760,000 family caregivers to burn out for lack of support, it could result in nursing home placements costing taxpayers over \$18 million dollars! As Maryland's aging population continues to grow, there is increasing need to support our family caregivers.

For all of these reasons, MSCAN respectfully requests a favorable report on SB 104. Thank you for your consideration.

SB 104 Credit for Individuals Caring for Elderly

Uploaded by: Tammy Bresnahan

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpmc
facebook.com/aarpmc

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.

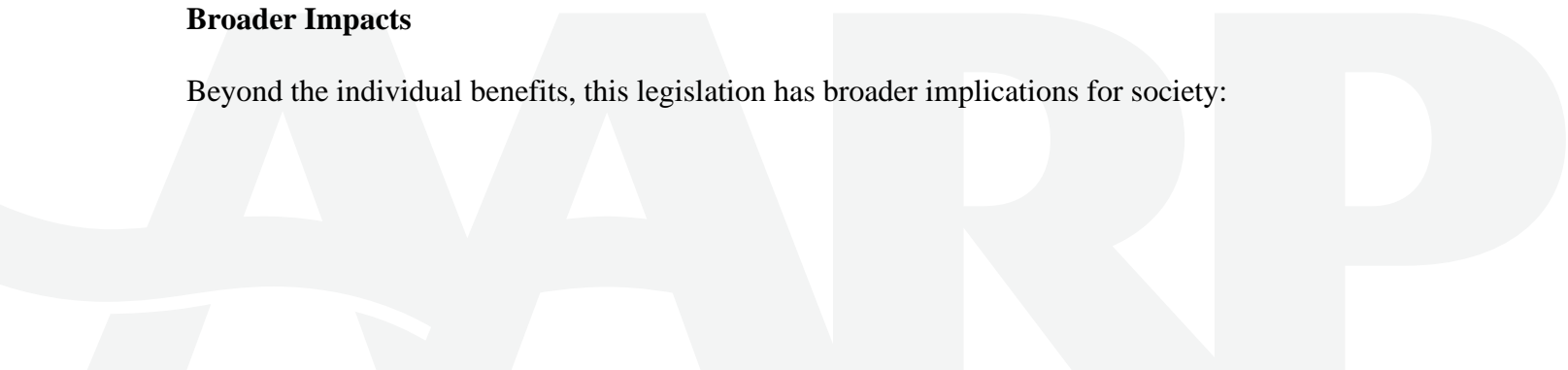
The Importance of SB 104

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.

SWASC - SB104 - Caregiving Tax Credit - FAV (1).pd

Uploaded by: UM SWASC

Position: FAV

TESTIMONY IN SUPPORT OF SB 104

Income Tax – Credit for Individuals Residing With and Caring for Elderly Parents

Budget and Taxation Committee

January 15, 2025

Social Work Advocates for Social Change strongly supports SB 104, which provides a refundable tax credit of \$3,000 to family caregivers who are residing with, and caring for, an elderly parent. This credit may be claimed for more than one parent, and promotes economic stability for Maryland families caring for their elderly parents.

SB 104 supports working families already struggling to make ends meet. Nearly two-thirds of Maryland’s family caregivers work full or part-time (60%), and more than half are in hourly positions (54%).¹ Maryland ranks as the 13th most expensive state for elderly care needs.² In 2021, the average family spent \$4601 monthly on in-home care services, representing over a quarter of their income (26%).³ Affording in-home services is a significant factor in deciding to stay in the workforce, and providing a refundable tax credit to family caregivers can be the difference between employment and unemployment.

Working family tax credits have demonstrated the powerful benefits of increasing economic security for families, women, and people of color. According to The Center on Budget and Policy Priorities, in 2020 and 2021, expanding tax credits was one of the five major legislative initiatives that lowered the number of families in poverty during the economic crisis of the pandemic.⁴ Moreover, in Maryland, three in five family caregivers are women (60%), and approximately 40% are from African American, Hispanic, or Asian communities.⁵ Women in Maryland earn 86% of what men do, African American women two-thirds, and Hispanic women only half.⁶ SB 104 is an opportunity to provide significant financial support to Maryland caregivers who might otherwise struggle to make ends meet living in or near poverty.

SB 104 promotes public fiscal responsibility by potentially lowering the state’s Medicaid expenditures. In Maryland, market rates for a semi-private room in a nursing home are over \$130,000 annually.⁷ Consequently, Maryland Medicaid has pushed to reduce long-

¹ *Valuing the Invaluable: 2023 Update*. (2023). AARP.

<https://aarp-states.brightspotcdn.com/51/fe/17ad80e7466086534f3240af9466/marylandcaregiverfactsheet.pdf>

² *Cost of Care Survey*. (2024). Genworth.com. <https://www.genworth.com/aging-and-you/finances/cost-of-care>

³ Taylor, S. (2022, March 10). *How Much does Maryland in-home senior care Cost?* Family Choice

Healthcare. <https://familychoicehealthcare.com/blog/how-much-does-maryland-in-home-senior-care->

⁴ Center on Budget and Policy Priorities:

<https://www.cbpp.org/research/poverty-and-inequality/governments-pandemic-response-turned-a-would-be-poverty-surge-into>

⁵ *Valuing the Invaluable: 2023 Update*. (2023). AARP.

<https://aarp-states.brightspotcdn.com/51/fe/17ad80e7466086534f3240af9466/marylandcaregiverfactsheet.pdf>

⁶ Brown, D. J. (2024, March 13). *Women earn less than men throughout Md.; lawmakers say wage transparency may help*. Maryland Matters.

<https://marylandmatters.org/2024/03/13/women-earn-less-than-men-throughout-md-lawmakers-say-wage-transparency-may-help/#:~:text=While%20Maryland%20tends%20to%20have,by%20county%2C%20the%20report%20shows.>

⁷ *Cost of Care Survey*. (2024). Genworth.com. <https://www.genworth.com/aging-and-you/finances/cost-of-care>

term nursing placement by investing in Home and Community-Based Services (HCBS).⁸ This tax credit will help produce additional savings by helping working families better afford in-home and other care services without sole reliance upon Medicaid. This will significantly help Maryland's Medicaid expenses by helping to delay entry into HCBS programs and long-term nursing care facilities.

SB 104 promotes financial retirement viability. Nearly two-thirds of family caregivers in Maryland are over 50 (64%), and approximately 9 in 10 are over 44 (87%).⁹ Most people's peak earnings happen between the ages of 45 and 54, with the second highest levels between 55 and 64.¹⁰ Caring for your elderly parent(s) during this time can lead to lost earnings, decreased retirement income, and fewer social security credits.¹¹ Lost retirement and social security income, combined with decreased savings, will put more significant pressure on Maryland Medicaid in the future.

Aging is a part of life, and elder care is often expensive. SWASC members – through internships at the MedStar Montgomery Center for Successful Aging – have witnessed families making difficult daily decisions about caring for their elderly parents. Often, finances are one of the most pressing issues in these decisions. Most of these families want to care for their elderly parents at home, but the high cost of living combined with the high cost of elder care in Maryland makes it challenging. Pursuing Medicaid options of care for their parents is often their only viable choice. **SB 104 will help many working families, families of color, and women better afford to care for their parents at home.**

Social Work Advocates for Social Change urges a favorable report on SB 104.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

⁸ Maryland Department of Health. (2023). Medical Care Programs Administration. In *Maryland General Assembly*.

<https://mgaleg.maryland.gov/pubs/budgetfiscal/2023fy-budget-docs-operating-M00Q01-MDH-Medical-Care-Programs-Administration.pdf>

⁹ *Valuing the Invaluable: 2023 Update*. (2023). AARP.

<https://aarp-states.brightspotcdn.com/51/fe/17ad80e7466086534f3240af9466/marylandcaregiverfactsheet.pdf>

¹⁰ Satov, T. (2024, May 7). *7 Money Management Tips for Your Peak Earning Years*. Synchrony.

<https://www.synchrony.com/blog/banking/peak-earning-years#:~:text=What%20Are%20Peak%20Earning%20Years,ages%20of%2045%20and%2054.&text=These%20peak%20earning%20years%20are,hone%20your%20money%20management%20strategies>

¹¹ Mudrazija, S., & Johnson, R. W. (2020). Economic Impacts of Programs to Support Caregivers: Final Report. In Office of the Assistant Secretary for Planning and

Evaluation. <https://aspe.hhs.gov/reports/economic-impacts-programs-support-caregivers-final-report-0#:~:text=Lost%20earnings%20can%20also%20reduce,substantially%20reduces%20paid%20work%20hours>

Senate Bill 104 Final Testimony.pdf

Uploaded by: Giavante Hawkins

Position: UNF

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January 13, 2025

Honorable Members of the Senate Budget and Taxation Committee
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

RE: Senate Bill 104 - Income Tax – Credit for Individuals Residing With and Caring for Elderly Parents

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents. We must respectfully oppose Senate Bill 104, which would create a refundable tax credit for individuals caring for elderly parents.

While we appreciate the intent to support families caring for elderly parents, this legislation raises several concerns. The refundable nature of the credit, combined with the significant amount of \$3,000 per qualifying parent, could create substantial fiscal impacts without clear parameters for measuring success or effectiveness.

The verification process for determining qualifying care arrangements presents significant administrative challenges. The six-month residency requirement may be difficult to document and verify, potentially leading to compliance issues. Additionally, the income thresholds and cost-of-living adjustment mechanisms add complexity to an already complicated tax code.

We believe a more comprehensive approach to supporting elder care, perhaps through direct service programs or existing social service frameworks, would be more effective and easier to administer than a tax credit.

For these reasons, we urge an unfavorable report on Senate Bill 104.

Respectfully submitted,

Giavante' Hawkins

Giavante' Hawkins
Maryland Society of Accounting and Tax Professionals