

# Maryland State Child Care Association

2810 Carrollton Road  
Annapolis, Md. 21403  
Phone: (410) 820-9196  
Email: [info@mscca.org](mailto:info@mscca.org)  
[www.mscca.org](http://www.mscca.org)

## ***Caring For Maryland's Most Important Natural Resource™***

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*The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5500 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.*

### **Testimony: HB 1343: Anne Arundel County-Property Tax-Day Care Centers and Child Care Centers Submitted to: Ways and Means Committee**

**Feb 26, 2025**

MSCCA enthusiastically supports HB 1343 to incentivize child care businesses. MSCCA priorities agenda align favorably with HB 1343 as we believe the most equitable and efficient way to expand access to quality child care in Maryland is through investments such as property tax incentives for child care businesses.

The intent of property tax credit is to encourage and incentivize property owners to invest and support growth and development in the community. Maryland's child care programs throughout the state are in decline. Child care prices are high in large part because providers' costs are high. Child care providers operate on tight profit margins, usually less than 1%. HB 1343 is a step in the right direction for local jurisdictions to support child care with tax incentives to offset high costs of operating child care businesses.

According to Maryland Comptroller's recent State of the Economy December 31, 2024 report, child care is a fragile market that requires government intervention to enable providers, often small businesses, to succeed and enable parents with young children to work and contribute to the economy. Child care expenses, including insurance, has skyrocketed and tax incentives outline in HB 1343 will provide necessary incentives for child care businesses.

HB 1343 includes numerous important components that support the critical child care businesses as they are the fabric of the community and the workforce behind the workforce.

HB 1343 establishes allowable property tax credit to \$10,000 limit, therefore helps the economy in a small, but important way. Child care impacts everyone directly and indirectly and HB 1343 includes incentives for all types of licensed child care businesses and addresses property tax credit incentives for child care businesses primarily owned and operated by women. This bill is good for working families, the child care businesses, and the economy.

MSCCA urges a favorable report.