



SB291: Income Tax - Credit for Income Taxes and Penalties

Due to Financial Exploitation

Position: Favorable

February 3, 2026

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Guzzone and members of the Budget and Taxation Committee,

Economic Action Maryland Fund urges a favorable report on SB291, which would allow a credit against the state income tax if someone must withdraw retirement funds early as a result of financial exploitation.

Marylanders are increasingly becoming targets for financial abuse, both exploitation and fraud. Older adults are particularly vulnerable. AARP has reported that fraud among older adults in Maryland increased 43% from 2023 to 2024. And the amount that seniors in particular are defrauded of is shocking; an average of \$83,000 for those over 60.¹

Because fraud and financial abuse incur such significant financial losses, individuals must often turn to their savings to recoup the funds. That can expose them to a secondary cost, the tax burden of early withdrawal. This bill would help individuals recover the costs of that secondary expense, mitigating the financial burden they must carry.

For these reasons, we urge a favorable report on SB291.

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

¹ <https://marylandmatters.org/2025/06/17/fraud-schemes-against-older-marylanders-continue-sharp-rise-advocates-say/>

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.