



**Senate Budget & Tax Committee
February 3, 2026**

**Senate Bill 291 – Income Tax - Credit for Income Taxes and Penalties Due to
Financial Exploitation**

POSITION: SUPPORT

On behalf of the National Association of Social Workers, Maryland Chapter (NASW-MD), we wish to express our support for Senate Bill 291, Income Tax – Credit for Income Taxes and Penalties Due to Financial Exploitation.

As social workers serving older adults, we see the financial exploitation of vulnerable or susceptible adults and the subsequent difficulties they face in meeting their basic needs. Throughout the U.S., older and vulnerable adults collectively lose \$2.6 billion dollars from financial exploitation every year.

When victims lose money from financial exploitation, swindles, or frauds, they are often at risk of losing their health care and their homes. Many of these victims must tap into their retirement funds prematurely to cover the losses incurred by the exploitation. When this occurs, paying Federal early withdrawal penalties and State Income Taxes on this money adds insult to injury.

This bill would allow eligible adults who can document financial exploitation to obtain a tax credit for Maryland taxes for the lesser of the Federal early withdrawal penalty or the State income tax incurred. The State would not force the victims of financial exploitation to pay taxes on retirement money withdrawn early to replace money lost to exploitation.

We urge you to vote yes on Senate Bill 291.

Respectfully submitted,

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