



FEBRUARY 19, 2026

# Another Poorly Targeted Senior Tax Break Would Harm Maryland Communities

## Position Statement in Opposition to House Bill 902

*Given before the House Ways and Means Committee*

Sufficient tax revenue is essential for supporting the investments that make Maryland a good place to live, work, and spend one's golden years. House Bill 902 would undermine these investments while doing nothing for seniors who truly need help, ultimately doing more to harm low-income seniors than help them. **For these reasons, the Maryland Center on Economic Policy opposes House Bill 902.**

Maryland already has eight separate tax breaks for senior citizens on the books, together costing about \$1 billion in foregone revenue each year. House Bill 902 would add a ninth, while worsening Maryland's already severe fiscal challenges.

The resulting cuts to public services will directly harm seniors. As just one example, **House Bill 902 would make it harder for older Marylanders to age in place:**

- Maryland already has a severe shortage of home care workers who provide vital assistance to seniors and Marylanders with disabilities.<sup>i</sup>
- This shortage will only grow in coming years due to population aging.
- Medicaid is the single largest payer for home care services and requires significant state support.
- Moreover, research makes clear that significant wage and benefit improvements are the only path to meeting this growing need.
- House Bill 902 will put downward pressure on state Medicaid spending, making it harder to pay a competitive wage to the care workers our state will need as our senior population grows.

House Bill 902 would do nothing for seniors with low incomes, most of whom do not owe state income tax in the first place or see their responsibility zeroed out by the 2022 senior tax cut. Under reasonable assumptions, married seniors taking home up to \$50,000 per year would see no benefit from House Bill 902, which a household with annual income of \$250,000 could see upward of \$10,000 in gains.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Ways and Means Committee make an unfavorable report on House Bill 902.**

## Equity Impact Analysis: House Bill 902

### Bill summary

House Bill 902 would reduce state income tax for residents at least 77 years old, and eliminate the state income tax for those at least 80 years old.

### Background

Maryland spends about \$1 billion per year on tax breaks for seniors. Most recently, Chapter 4 of 2022 created a nonrefundable tax credit of \$1,000 for single filers or \$1,750 for married filers at least 65 years old, subject to income eligibility limits.

### Equity Implications

House Bill 902 would exclusively benefit seniors who already receive the full senior tax credit under §10–754 of the Tax–General Article.<sup>ii</sup> A married couple with \$50,000 in annual income would likely receive zero benefit under House Bill 902, while a couple taking home \$250,000 per year may get a more than \$10,000 tax break.<sup>iii</sup> Due to barriers constructed through centuries of racist policy, Maryland seniors of color are more likely than their white counterparts to get by on low incomes. As of 2024:<sup>iv</sup>

- 23% of white seniors (65+) in Maryland had annual family income under \$50,000
- 32% of Black seniors had annual family income under \$50,000
- 28% of Latinx seniors had income under \$50,000
- 37% of multiracial seniors had annual income under \$50,000
- Altogether, 30% of seniors of color had annual income under \$50,000

House Bill 902 would make it harder for the state to invest in the foundations of broadly and equitably shared prosperity. As just one example, lower revenues would put downward pressure on state Medicaid spending, reducing access to care for seniors who receive Medicaid-funded long-term care. Because of Medicaid’s design, it by definition serves seniors with relatively low incomes, low assets, or very high medical costs. This means that inadequate Medicaid funding would also disproportionately harm seniors of color. As of 2024:<sup>v</sup>

- 10% of white seniors (65+) in Maryland had Medicaid health insurance
- 21% of Black seniors had Medicaid health insurance
- 17% of Latinx seniors had Medicaid health insurance
- 18% of Asian or Pacific Islander seniors had Medicaid health insurance
- 19% of multiracial seniors had Medicaid health insurance
- 34% of American Indian, Alaska Native, or seniors in another racial or ethnic group not specified in American Community Survey data had Medicaid health insurance.
- Altogether, 20% of seniors of color had Medicaid health insurance

### Impact

As introduced, House Bill 745 would likely **worsen racial and economic inequity** in Maryland.

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<sup>i</sup> “The Direct Services Workforce in Long-Term Services and Supports in Maryland and the District of Columbia,” PHI, 2018, <https://phinational.org/wp-content/uploads/2018/09/DSWorkers-Maryland-2018-PHI.pdf>

<sup>ii</sup> While House Bill 902 does not allow filers to claim both the new tax credit and the §10–754 credit, only those with remaining tax liability after receiving the full §10–754 credit would benefit from instead claiming the new credit.

<sup>iii</sup> MDCEP estimate. Assumes Maryland AGI 8% lower than federal AGI (based on TY 2024 Income Tax Summary), two personal exemptions, and the standard deduction.

<sup>iv</sup> MDCEP analysis of 2024 IPUMS American Community Survey microdata

<sup>v</sup> MDCEP analysis of 2024 IPUMS American Community Survey microdata