



Testimony Concerning SB 422– Income Tax - Credit for Child and Dependent Care Expenses - Income Eligibility

Submitted to Senate Budget and Taxation

February 14, 2018

Position: Support

The Maryland State Family Child Care Association (MSFCCA) is a non-profit association advocating on behalf of approximately 6000 registered family child care providers who are an important part of the child care delivery system in Maryland. As a workforce, our members care for a significant number of Maryland's children and we see daily the anxiety of parents struggling to make ends meet.

SB 422 calls for raising the current eligibility cap on filing for the State's Child and Dependent Care Tax Credit (CDCTC). Families who earn too much to use the current credit, which phases out at \$50,000, need help to afford to use regulated child care. This bill will provide some assistance to middle-income families. The school readiness gap between high-income and middle-income kindergarten students is greater than the gap between middle-income and low-income students. Children in the middle need more access to high quality, regulated care.

SB 422 can be an equitable and efficient way to help many Maryland families deal with the high cost of child care. The Federal Government estimates that families should not pay more than 7% of their total income in child care, but in Maryland, child care ranks among the top three expenses for households with children, and even comes in as the top expense in some Maryland counties.

Equitable access to quality, affordable child care leads to better outcomes for children from all economic backgrounds. Supporting tax credits for child care is one way Maryland's Government can strengthen families and the economy.

MSFCCA respectfully urges a favorable report for SB 422.