



Welfare Advocates

Founded 1979

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TESTIMONY IN SUPPORT OF SB 40
Sales and Use Tax - Diapers – Exemption

Senate Budget & Taxation Committee
January 9, 2020

Welfare Advocates is a statewide coalition of community-based organizations, advocacy groups, faith communities, and consumers, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.

As SB 40 would exempt diapers from the sales tax, **Welfare Advocates supports SB 40**. Diapers are a necessary expense for families with young children. For low income families receiving Temporary Cash Assistance, diapers are a significant portion of the family's income. 1 in 3 Temporary Cash Assistance payees has a child under the age of 3.¹ The average cost of an adequate supply of diapers is \$18 per week, \$72 per month or \$936 per year, per child.² A TCA recipient with one child receives a maximum of \$503 per month in cash assistance and a maximum of \$357 from the food supplement program. Assuming she receives the maximum amounts, approximately 14% of her cash or 8% of her total monthly income is spent on diapers. (It should be noted that food stamps cannot be used to purchase diapers.)

In addition, to the obvious budgetary issues, diaper need can also effect a TCA recipient's participation in the TCA program. TCA recipients are required attend a work activity in order to receive benefits. A child care subsidy is provided so that the parent can attend their work activity. However, most child care providers require parents to supply an adequate supply of disposable diapers. Diaper need has been identified as a reason that parents may not attend work or school.³ Missing a work activity can jeopardize the family's participation in the TCA program. It's an awful cycle where the family needs TCA to purchase diapers, but in order to participate in TCA the family needs to purchase more diapers. Anything we can do to reduce the burden of purchasing diapers will ultimately help low income families.

For the reasons stated above, Welfare Advocates respectfully urges a favorable report on SB 40.

Submitted by Lisa Klingenmaier, Chair

¹ Lauren A. Hall. *Life After Welfare - 2015 Annual Update*. University of Maryland School of Social Work Ruth Young Center for Families & Children.

² Megan V. Smith, et al. "Diaper Need and Its Impact on Child Health." *Pediatrics*. August 2013

³ Ibid.
