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Frederick County

Health and Government
Operations Committee

Subcommittees

Government Operations
and Estates and Trusts
Insurance and Pharmaceuticals



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Testimony in Support of Bill

Income Tax – Subtraction Modification – Living Organ Donors

Madam Chair, Mr. Vice Chair and esteemed members of the Ways and Means Committee,

Bill 944 seeks to provide individual organ donors with tax credits to cover certain non-medical expenses incurred during the period of organ donation. At present, the Maryland tax code provides a \$7,500 tax credit. This bill increases that amount to \$10,000 through a subtraction modification to the current tax code Sections 10-208(a) and 10-208(w).

While most transplanted organs are from deceased donors, patients may also receive organs from living donors. Living donation offers an alternative for individuals awaiting transplantation from a deceased donor and increases the existing organ supply. Almost 6,000 living-donor transplants were performed last year in the United States. Kidneys are the most common organ transplanted from living donors, followed by liver and lung. Both living and deceased donations offer hope to the more than 123,000 people waiting for an organ transplant right now—including more than 100,000 patients who are waiting for a kidney transplant, including 2,580 people in Maryland¹².

Bill 944 recognizes that on average 22 Marylanders die each day because organs are not available for donation. In cases where a living donor could provide a kidney or bone marrow, an impediment to donation is often the high cost of non-medical expenses incurred by the living donor. Expenses as enumerated in the bill include, unreimbursed travel expenses, lodging expenses, and/or lost wages. We believe that providing incentives and removing financial burdens for living donors and their employers can lead to an increase in organ donations.

The Society of Nephrology reported that living kidney donations have decreased steadily since 2005. A new study suggests that this decline may be due to financial barrier, especially among potential low-income donors. In *Journal of the American Society of Nephrology* researchers identified “socio-economic status—specifically income—as an important barrier to living donation, and more importantly, implies that this barrier is becoming more difficult over time.”

Bill 944 is consistent with a national trend that encourages the living donor to make a life-saving donation of a kidney, pancreas, intestine, lung or bone marrow without the burden of expenses that can be as high as \$20,000. Currently, 14 states, including Arkansas, Georgia, Iowa, Massachusetts, Minnesota, Mississippi, New Mexico, New York, Rhode Island, Utah, North Dakota, Ohio, Oklahoma, Utah, and Wisconsin, issue \$10,000 in tax credits to cover the specific unreimbursed expenses that are enumerated in this bill.

When residents of Maryland are willing to make a living donation of life, non-reimbursable expenses should not be the barrier. By awarding a tax-credit of \$10,000 to the living donor, we are proposing a financially neutral impact to living donors who are making contributions to humanity.

For these reasons, I ask you to support the bill and I request a favorable report.

Thank you,

Delegate Karen Lewis Young
District 3A – Frederick County