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MARYLAND STATE & D.C. AFL-CIO

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SB 717 – Earned Income Tax Credit – Individuals without Qualifying Children – Eligibility Senate Budget and Taxation Committee February 26, 2020

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 717 – Earned Income Tax Credit – Individuals without Qualifying Children – Eligibility and Refundability. My name is Donna S. Edwards and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of the 340,000 union members, I offer the following comments.

Maryland took an important first two years ago, joining several other states in eliminating the minimum age requirement for the Earned Income Tax Credit (EITC). Unfortunately, far too many low-income, single filing tax payers are still ineligible to receive the EITC. Maryland tax policy should not keep low-income workers in poverty.

SB 717 raises the income threshold for the EITC, allowing more low-income workers to take advantage of the credit, providing more relief, and allowing more breathing room for working families, trying to make ends meet.

In 2018, the EITC lifted approximately 5.6 million people out of poverty, including about 3 million children. The number of poor children would have been more than one-quarter higher without the EITC. The credit reduced the severity of poverty for another 16.5 million people, including 6.1 million children. The EITC is the most effective poverty fighting tool that we have, and it is time to expand it, in order to provide more opportunities for working Marylanders.

For these reasons, we urge a favorable report on SB 717.

¹ https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit