

Tuesday, March 25, 2025



## Showing Up for Racial Justice

Dear the Members of the Budget and Taxation Committee,

I am submitting this testimony as a member of Showing Up for Racial Justice (SURJ) Baltimore, a group of individuals working to mobilize white people in a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with Out for Justice, which advocates for the reform of policies and practices that adversely affect incarcerated people's successful reintegration into society. I am a resident of Baltimore City and District 41. I am testifying in **support of HB0634 - Maryland Fair Taxation for Justice-Involved Individuals Act.**

Incarcerated people often lack the access and documentation to file their taxes while serving their sentences. When Marylanders incur unpaid state taxes during their incarceration, it can have escalating negative consequences that significantly interfere with their ability to reintegrate into society after serving their sentences.

First, unpaid taxes accrue interest and penalties, increasing the debt that returning citizens owe as they are attempting to reintegrate into their communities and get their lives back on track. Second, this mounting debt burdens them at a time when they are likely to be financially vulnerable—fresh out of prison, lacking income until they find employment, potentially facing other financial and legal challenges. Third, tax debt and penalties block returning citizens from accessing resources that could help them rebuild their lives, such as obtaining a driver's license and vehicle registration so they can get to a job and obtaining a business or professional license.

As a result of their lack of access to easily pay and manage their taxes as well as escalating penalties and interest during their incarceration, these returning citizens are burdened by debt, unable to escape poverty and legal challenges, and at risk of slipping back into criminal behavior to survive instead of being supporting in reintegrating into society and establishing themselves as stable, productive members of the community.

The Maryland Fair Taxation for Returning Citizens Act reduces these risks by making state income tax debt manageable for incarcerated citizens and citizens who have recently been released. The bill does not erase their debt, but it allows them to set up installment plans to pay taxes owed. Once they have set up such a plan, interest and penalty fees are waived. The bill also includes provisions to cap interest rates on outstanding taxes at 3% per year, and to educate returning citizens about what their tax obligations are and what options are available for relief.

In these ways, HB0634/SB0295 makes paying off state income tax debt a manageable, achievable goal for returning citizens. **It increases the likelihood the state can collect the taxes it is owed, increases people's ability to rebuild their lives after completing a prison sentence and productively contribute to the local economy, and decreases the risk that they will go on to commit additional crimes.** It's a win for both the state of Maryland and for a vulnerable segment of Marylanders.

As Comptroller Brooke Lierman noted last month in her statement supporting the bill, "By removing unnecessary obstacles for returning citizens, we can bolster Maryland's workforce, support families, and build a more inclusive economy."

It is for these reasons that I am encouraging you to vote **in support of HB0634 - Income Tax - Income Tax Reconciliation Program - Established (Maryland Fair Taxation for Justice-Involved Individuals Act).**

Thank you for your time, service, and consideration.

Sincerely,  
Dr. Katherine Blaha  
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