

NANCY J. KING
Legislative District 39
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

Chair

Education, Business, and
Administration Subcommittee



James Senate Office Building
11 Bladen Street, Room 123
Annapolis, Maryland 21401
410-841-3686
800-492-7122 Ext. 3686
Nancy.King@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 519 – Earned Income Tax Credit – Assistance Program Delay and Study

February 25, 2026

Mister Chairman and Members of the Budget and Taxation Committee:

The Earned Income Tax Credit Assistance Program was established in 2022 in an effort to increase the number of low-income residents claiming Maryland's Earned Income Tax Credit (EITC). That law directed the Comptroller Office's to identify eligible Marylanders who did not claim the EITC and provide a streamlined mechanism to help them do so.

The Comptroller's Office implementation plan for the program relied on the federal Direct File program, which provided taxpayers with an easy and free way to file their federal and state income tax returns. The program would have also allowed the IRS to share verified income and filing data with state tax agencies (with taxpayer consent).

Unfortunately, the Direct File program was eliminated by the Trump Administration. The discontinuation of federal Direct File has left Maryland without the tools necessary to operationalize the EITC Assistance Program. The Maryland Tax Connect system, expected to launch in the summer of 2026, may offer opportunities to fill this data gap in the future, should federal data sharing also become available again. Given these implementation challenges, the Comptroller's Office has requested a delay in implementation of the program's requirements until 2030.

Senate Bill 519 will allow the Assistance Program to remain in effect for an additional five years and directs the Comptroller's Office to continue exploring opportunities for enhanced EITC outreach. The legislation further requires the Comptroller's Office to evaluate the efficacy of existing EITC awareness and outreach campaigns, as well as review best practices from other states, explore opportunities to further simplify EITC claims, and evaluate privacy risks associated with federal-state data sharing.

Additionally, the bill directs the Maryland Department of Service and Civic Innovation to explore opportunities for their program participants to assist low-income Marylanders in receiving the EITC and other tax credits, and to report back to the legislature by the end of the year.

It is unfortunate that federal government decisions have forced a delay of this important program, but in the meantime, this legislation will help ensure the long-term success of a program that will help so many Marylanders, and so I respectfully request a favorable report on Senate Bill 519.