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**Testimony of Ricarra Jones, Political Director of 1199SEIU on
SB 638 – Maryland Child Tax Credit
Position: SUPPORT
February 26, 2020**

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Dear Chairman Guy Guzzone and Members of the Senate Budget and Taxation Committee::

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1199SEIU Healthcare Workers East is the largest healthcare union in the country with, with over 450,000 members throughout Massachusetts, New York, New Jersey, Maryland, Florida and Washington, D.C. **We fully support SB 638.**

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SB 638 would create a targeted tax credit to help low- and moderate-income families who have children. It would establish a state-funded supplement to the federal Child Tax Credit in order to lift thousands of Maryland families with children out of poverty.

The Child Tax Credit is a federal tax credit of \$2,000 per child under the age of 17. The 2017 federal tax reforms made significant changes to the federal Child Tax Credit program that resulted in a regressive structure that hurts low-and moderate-income families.

Most notably, now only a portion of the federal tax credit is refundable, whereas previously, 100% of the tax credit was refundable. This change disproportionately impacts low-income families. For instance, a married couple with two children that makes less than \$36,400 a year receives only a portion of the tax credit.

According to an analysis by the Institute on Taxation and Economic Policy, these changes mean nationally that 24 million low- and moderate-income children no longer receive the full amount of the tax credit. Put another way: one-third of families with children in the U.S. are being left behind, including more than 50% of black and Hispanic children and 73% of kids being raised by a single mom. Conversely, only 2% of kids are ineligible for the full credit because their families earn too much money. In Maryland, 27% of kids are left out of the full tax credit.

Without this bill, too many children in Maryland will continue to grow up in poverty and as we know, children who grow up in poverty experience lifelong disadvantages; disadvantages and negative outcomes that we can prevent by ensuring that low- and middle-income families receive the full benefit of the tax credit.

For these reasons, we **SUPPORT sb 638** and ask for a **FAVORABLE** report.

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