

February 26, 2020

**Testimony on Senate Bill 719 – Support
*Earned Income Tax Credit – Individuals Without Qualifying Children –
Calculation and Refundability*
Budget and Taxation Committee**

Maryland Nonprofits urges you to support Senate Bill 719.

The Earned Income Tax Credit (EITC) is the largest and most effective anti-poverty tool for Maryland residents, helping more than 400,000 Marylanders make ends meet and putting millions of dollars into local communities. Unfortunately, the EITC still leaves behind many low-income workers who don't claim dependents on their taxes. Legislation under consideration this year would make our EITC as effective for these workers as it is for those raising children.

For EITC recipients with children, it makes sense to calculate the state credit as a percentage of the federal credit amount. However, in the case of qualifying recipients without children, the maximum federal credit is much smaller, only about \$500. This means that today the state credit for these individuals averages about only \$70.

Every dollar helps, but to help someone buy books for school, repair a car, pay utility bills, or meet other basic needs it makes sense to adjust our calculation of this credit. Senate Bill 719 would allow the state credit to match the federal, which averages about \$375, and would provide more meaningful assistance to these workers.

We urge you to give Senate Bill 719 a **Favorable Report**.