



Testimony in Support of SB719
Earned Income Tax Credit - Individuals Without Qualifying Children - Calculation and Refundability
Wednesday, February 26, 2020

TO: The Honorable Guy Guzzone, Chair, The Honorable Jim Rosapepe, Vice Chair, and Members of the Senate Budget and Taxation Committee

FROM: Laura E. Irwin, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board strongly supports SB719, which will increase the value of the refundable state Earned Income Tax Credit (EITC) to 100% of the federal EITC for single adults without dependents. As advocates for the low-income community, the EITC has been a longtime priority for the Community Action Board because research shows that it is one of the most effective anti-poverty tools available. By increasing the maximum amount of the Maryland EITC for single filers to \$529 and making it refundable, SB719 will help more lower-income workers in Maryland move towards self-sufficiency.

As the governing body for the Montgomery County Community Action Agency, the county's designated antipoverty entity, our Board is keenly aware of the impact of the EITC. The agency's Volunteer Income Tax Assistance (VITA) Program serves low-to-moderate income households with free tax preparation, linking County residents to the EITC and other tax credits. In tax year 2018, Community Action's VITA program served 2,200 households, helping these tax filers receive over \$5 million in tax refunds, including \$1.4 million in EITC. The EITC provides critical support, helping people put money into savings, pay bills, and pay off debts.

Increasing the value of the state's EITC for single filers will have an additional benefit for Montgomery County residents due to the County's Working Families Income Supplement, which matches the state's EITC. In an expensive area like Montgomery County where the Self-Sufficiency Standard for a single adult is \$37,807 (\$10,000 *more* than the County's minimum wage for large employers), increasing the Maryland EITC can have a profound impact.¹

We ask that you support Maryland workers by voting Yes on SB719, and that you continue to explore policies that effectively help lower-income people become self-sufficient.

¹ Self-Sufficiency Standard selfsufficiencystandard.org