



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 26, 2020

SB 719

Earned Income Tax Credit – Individuals Without Qualifying Children – Calculation and Refundability

Senate Budget and Taxation Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch)dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Currently, Maryland allows for a nonrefundable earned income tax credit of fifty percent of the federal Earned Income Tax Credit (EITC) or the individual’s state tax liability. However, if that tax credit brings the individual’s tax liability down to zero, the individual is only able to claim a refundable credit of twenty-eight percent of the federal EITC. Senate Bill 719 increases the value of the refundable state EITC to one hundred percent of the federal EITC.

The EITC is the most successful anti-poverty tool the state has. It has been proven to have a direct and immediate effect on hardworking individuals who simply cannot make ends meet. It provides a meaningful boost to low-income workers and families, enabling them to make necessary purchases and take care of basic needs. It also provides a pathway to financial stability; with more money coming back to the taxpayer, it can go into a myriad of different places to assist in being lifted out of poverty, including savings accounts and educational expenses. While the EITC does provide a direct and measurable benefit to individual Marylanders, it is also a boost to local economies, since every \$1 that is invested in the EITC generates \$1.24 for the economy.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 719.