JHEANELLE WILKINS Legislative District 20 Montgomery County

PARLIAMENTARIAN

Ways and Means Committee



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

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House Bill 679 Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility

Dear Colleagues,

I am pleased to present House Bill 679 Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility, which expands the state earned income credit that can be claimed by individuals without qualifying children by increasing the income thresholds at which the credits phase out.

The Earned Income Tax Credit (EITC) is one of the best poverty reducing measures the General Assembly has at its disposal. It has proven itself hugely impactful on economic, behavioral, and health outcomes for low to moderate-income workers, while also providing a strong return on investment to the state. For every dollar the state spends on the EITC, \$1.24 comes back to our local economy as recipients spend it on basic necessities such as groceries, housing, transportation, and debt.

Unfortunately, the current EITC still leaves behind many low-income workers who don't claim dependents on their taxes. HB 679 would help make the EITC as effective for single filers as it is for those claiming dependents by increasing the income threshold for eligibility to \$23,540, or about \$11 per hour for someone working full-time. This increase ensures that individuals working full-time at Maryland's minimum wage are not excluded from receiving the EITC and can help offset their tax burden.

A tool for income mobility, the EITC keeps low-wage workers engaged in the workforce while allowing them to save money to invest in their education and homeownership. Combined, HB 679 and HB 680 would reduce the tax burden of 280,000 Marylanders who are currently excluded because they "earn too much," or do not have dependent children. For these reasons, I ask that the committee give a **favorable** report on **House Bill 679**.

Sincerely,

Delegate Jheanelle Wilkins