



# Welfare Advocates

Founded 1979

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## House Bill 679

### Earned Income Tax Credit - Individuals Without Qualifying Children – Eligibility

#### House Ways and Means Committee

February 20, 2020

#### Support

Welfare Advocates is a statewide coalition of social service organizations, advocacy groups, faith communities, and community members, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.

**Welfare Advocates supports HB 679**, which increases the maximum income threshold for the Earned Income Credit to \$23,540 for single filers. Providing the additional credit rewards work and boost local economies. As many of our safety-net programs are geared toward assisting families and children, HB 679 is important because it targets low-income single adults, who are often left behind.

**The EITC is one of the largest and most successful anti-poverty initiatives for low-income Marylanders.** Currently, a single adult that works full-time at a minimum wage job (\$22,880/year) owes \$1,088 in federal income taxes; however, they earn too much to claim any state Earned Income Tax Credit. HB 679 would increase the maximum income threshold and allow this same worker to qualify for Maryland's Earned Income Tax Credit. This may help the worker offset their tax burden, allowing them to receive a tax refund. This money would boost local economies, as the additional income is often spent on basic necessities such as housing, food, and transportation. For every dollar spent by the state on the Earned Income Tax Credit, \$1.24 is returned to the state's economy.

The Earned Income Tax Credit is a tested, successful program. It engages Marylanders in the workforce, reduces the racial wealth gap, and grow our economy. Maryland should take advantage of past successes and continue to grow the program.

**For the reasons stated above, we respectfully urge a favorable report on HB 679.**

Submitted by Lisa Klingenmaier

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