



Welfare Advocates

Founded 1979

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House Bill 680
Earned Income Tax Credit - Individuals Without Qualifying Children – Calculation and Refundability

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 680, which assists low-income childless adults by increasing the value of Maryland's Earned Income Tax Credit (EITC) to match 100% of the federal Earned Income Credit. 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 680 is important because it targets marginalized low-income single adults.

The EITC is one of the largest and most successful anti-poverty initiatives for low-income Marylanders. Strengthening the EITC for single filers could reduce taxes for more than 280,000 working Marylanders, putting them on a path to greater financial stability. Most EITC recipients utilize the credit for an average of only 2-3 years until they are able to earn higher wages. Currently, the average single filer receives \$70 through the State's Earned Income Tax Credit. By matching the state EITC to the federal credit, the average credit could be increased to \$375. This increase would provide a much-deserved break to hard working Marylanders and help fuel the local economy. Money received through a tax refund is often spent on basic necessities such as housing, food, and transportation.

The Earned Income Tax Credit is a tested, successful program. Expanding the EITC for single filers can engage more young Marylanders in the workforce, reduce the racial wealth gap, and grow the middle class. 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 680.

Submitted by Lisa Klingenmaier
