



MONTGOMERY COUNTY, MARYLAND

WOMEN'S DEMOCRATIC CLUB

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**Senate Bill SB0218 – Maryland Child Tax Credit
Budget and Taxation Committee – January 27, 2021
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club** (WDC) for the 2021 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges the passage of SB0218 – Maryland Child Tax Credit. This bill will create a targeted tax credit to benefit families that are excluded from the Federal Tax Credit Program – those with zero or very low-incomes. A taxpayer who has an adjusted gross income of \$6,000 or less may claim a State income tax credit of \$500 for each qualified child (under the age of six years or under the age of 17 years with a disability), including those whose children do not have a valid Social Security Number. The tax credit would sunset on June 30, 2026, without further action by the General Assembly.

The Federal Tax Credit program excludes those families most in need – those making less than \$2,500 a year as well as taxpayers whose children are not U.S. citizens. As a result, ten percent of children nationally are not receiving funds from the Federal Tax Credit program. Children of color and those raised by a single mother are disproportionately impacted. Tax credits have proven to be an effective way to boost family income and children's outcomes. In fact, boosting a family's income by as little as \$3,000 a year until the child's sixth birthday can increase a child's adult earnings by as much as 17 percent. Studies have also documented that increasing family income can improve a child's educational achievement, health, and developmental progress. The National Academy of Sciences, engineering, and Medicine recommends the Child Tax Credit as a key approach to reducing the child poverty rate in the United States. In Maryland, thirteen percent of children live in families below the poverty line. The pandemic has increased the number of children living in food insecure households, and households in housing arrears. This bill is an easily administered solution to childhood poverty and will ensure more Maryland children have a secure and healthy head start.

We ask for your support for SB0218 and strongly urge a favorable Committee report.

Respectfully,

Diana Conway
President