



TESTIMONY IN SUPPORT OF HB 143

Maryland Child Tax Credit

House Ways and Means Committee

January 14, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
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Marylanders Against Poverty

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Marylanders Against Poverty (MAP) supports HB 143, which creates a refundable Maryland Child Tax Credit (CTC). Individuals will be able to claim this credit at the state level if they make \$6,000 or less and their child is 6 years old or younger or 17 and has a disability.

This credit will help bridge a gap left by federal policy. For federal policy, the first \$3,000 in earnings do not count when determining the CTC. This means that there are families that earn too little to receive a substantial credit. Some families do not qualify to receive the credit at all. Maryland has the opportunity to cover families that federal policy does not.

This bill will provide relief for low income families, especially those hit hardest by COVID-19. When parents have resources, those resources are available to their children. The CTC has been linked to greater education outcomes, and this will have lasting effects on their children's future economic mobility. This is incredibly important this year, because last year schooling across the state transitioned to online. This means that families needed access to different resources to continue their child's education at home. The pandemic is still unpredictable, and this credit will boost the ability of families to respond.

Establishing a state CTC will boost the health of low income families. When families have more access to money they can seek more medical services, buy more health supplies, and they have a greater opportunity to obtain food security for a moment. More families will be able to pursue specialized services or equipment that would benefit their child. The price of those services and equipment are a burden on a low income families budget. Many times, children cannot receive the care they need. COVID-19 has added additional burdens on the health needs for families. CTC will allow for families to better address health concerns.

HB 143 will help low income families tackle or avoid financial hardships. The CTC is considered one of the strongest federal government's anti-poverty tools. Families living under the poverty line face difficult financial hardships that are difficult to navigate. The pandemic has exasperated these hardships, and families that live in deep poverty have faced these significant consequences. An extra \$500 for these families will increase their available income, therefore helping them navigate through obstacles.

MAP appreciates your consideration and urges a favorable report for support HB 143.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.