



TESTIMONY IN SUPPORT OF SB 218

Income Tax – Child Tax Credit and Expansion of the Earned Income Credit

House Ways and Means Committees

February 23, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
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Behavioral Health System Baltimore
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Marylanders Against Poverty

Stacey Jefferson, Co-Chair
P: 410-637-1900 ext 8578
C: 443-813-9231

E: stacey.jefferson@bhsbaltimore.org

Julia Gross, Co-Chair
P: 410-528-0021x6029

E: jgross@mdhungersolutions.org

Marylanders Against Poverty (MAP) supports SB 218, which creates a refundable tax credit to households with an adjusted gross income of \$6,000 that have a disabled child under the age of 17 and, as well as expand the state Earned Income Tax Credit (EITC) to tax filers who use Individual Taxpayer Identification Numbers (ITIN).

We appreciate the work and focus of the Maryland General Assembly and Administration in providing needed relief to Marylanders as we all navigate the impact of the pandemic. Before the pandemic, one in ten Marylanders were living at or below the Federal Poverty Line, and the pandemic has only exacerbated the struggles of low-income individuals and families. Predictably, the need for safety-net programs in our state has exploded since March, and has put a spotlight on the entrenched gaps, barriers, and inequities that have long existed in our programs and policies to address and end poverty, especially for Black and Brown communities that have disproportionately borne the brunt of the pandemic due to systemic racism and historic disinvestment. Subsequently, there are many working Marylanders that are currently left out of the majority of safety-net programs and tax relief because they file taxes with ITIN numbers, often relegating these families into deep poverty.

SB 218 will allow all Maryland tax paying residents who meet the income criteria to claim and receive the Maryland EITC. Immigrants and undocumented individuals are disproportionately impacted by the pandemic, while often simultaneously working - without any additional support - in essential professions to keep Maryland safe and operating. Low-income individuals and families utilizing an Individual Taxpayer Identification Number (ITIN) to file taxes should be included in our State's tax relief efforts, as the harmful impact of this massive public health crisis does not differentiate between Marylanders with documented status and those without. Immigrants are our neighbors, our classmates, our parishioners, our friends and they are also taxpayers. This bill justly recognizes the contribution of immigrants to the fabric of our society by extending to them the benefits we extend to all tax payers.

The EITC is one of the most effective anti-poverty programs available, and allowing all taxpayers to obtain the EITC is good for our state's economy. Allowing all our low-income, working neighbors to obtain the EITC will increase their economic security as they work to rebuild their lives in the wake of the pandemic. Additionally, low-income Marylanders who receive the EITC spend their refunds on basic necessities at local businesses in their community, generating critical local economic activity.

For these reasons, MAP strongly urges a favorable report on SB 218 and appreciates your consideration.

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.