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Ways and Means Committee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

January 21, 2021

House Bill 176 Earned Income Tax Credit - Individuals Without Qualifying Children - Calculation and Refundability

Dear Colleagues,

I am pleased to present **House Bill 176 Earned Income Tax Credit - Individuals Without Qualifying Children - Calculation and Refundability**, which expands the state earned income tax credit that can be claimed by individuals without qualifying children by increasing the percentage value of the credit and making the credit fully refundable.

The Earned Income Tax Credit (EITC) is one of the best poverty reducing measures the General Assembly has at its disposal. It has proven itself hugely impactful on economic, behavioral, and health outcomes for low to moderate-income workers, while also providing a strong return on investment to the state. For every dollar the state spends on the EITC, \$1.24 comes back to our local economy as recipients spend it on basic necessities such as groceries, housing, transportation, and debt.

Unfortunately, the current EITC still leaves behind many low-income workers who don't claim dependents on their taxes. HB 176 would help make the EITC as effective for single filers as it is for those claiming dependents by increasing the state credit for single filers to 100% of the federal credit. On average, a single filer would go from an EITC of \$70 to \$375, which could help someone buy books for school, pay for a car repair to get to a better job, pay utility bills, or cover other basic needs.

A tool for income mobility, the EITC keeps low-wage workers engaged in the workforce while allowing them to save money to invest in their education and homeownership. For these reasons, I ask that the committee give a **favorable** report on **House Bill 176**.

Sincerely,

A handwritten signature in black ink, appearing to read "Jheanelle Wilkins".

Delegate Jheanelle Wilkins