



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 404 – WORKING MARYLANDERS TAX RELIEF ACT OF 2022

Sponsor – The President (By Request – Administration, et al)

February 9, 2022

DONALD C. FRY

PRESIDENT & CEO

GREATER BALTIMORE COMMITTEE

Position: Support

Senate Bill 404 makes the expansion of the Earned Income Tax Credit (EITC) adopted through the RELIEF Act of 2021 permanent. The RELIEF Act expanded the State refundable earned income credit program by increasing the value of the refund from 28% to 45% of the federal earned income tax credit, minus any pre-credit state income tax liability. Under the RELIEF Act, the increased value was applicable to tax years 2020 through 2022. Senate Bill 404 will make the increase in value of the refund from 28% to 45% permanent.

EITC is a tax benefit designed to help low to moderate income working people. Research demonstrates that the EITC reduces poverty, encourages employment, supports family asset development, stimulates local economies, and benefits the long-term health, educational and financial outcomes of impacted children. According to the Economic Policy Institute, “The EITC—a refundable tax credit available to low-income families who have income from work—dramatically reduces child poverty, encourages single mothers to participate in the formal economy, and has important positive effects on a range of health, educational, and child developmental outcomes.”

This bill is aligned with the Greater Baltimore Committee’s organizational focus on advancing racial equity and social justice. The GBC is committed to reviewing all legislative proposals through an equity lens and to consider the impacts of proposed legislation on small and minority owned businesses, minority populations, and economically disadvantaged residents, balanced with the need to support economic growth.

Senate Bill 404 is a proposal that supports racial equity and social justice, and benefits the economy by encouraging more individuals to join or stay in the workforce. In this time of low unemployment and countless job vacancies, high workforce participation rates are vital to the Maryland economy.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 404.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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