

**March 9, 2022**

**SB 805**

**Income Tax – Child Tax Credit – Alterations and Sunset Extension**

**Senate Budget and Taxation Committee**

**Position: Support**

Senate Bill 805 extends the state's Child Tax Credit through 2026, as it is set to expire in 2023, and increases the eligibility from families making \$6,000 annually to those making \$15,000. It provides a refundable credit of up to \$500 for each child under 6 or under 17 with a disability.

The Maryland Food Bank estimates that two million Marylanders are at risk of food insecurity. A person who is food insecure does not have consistent access to healthy and nutritious food on any given day, and this problem persists in every area of the state. There are also communities and populations who are disproportionately affected by food insecurity, including families with children. The causes of food insecurity are complex and often include factors such as unstable housing and low income.

A recent study from Columbia University found that a pointed increase in the childhood poverty rate between December 2021 and January 2022 can be directly tied to the expiration of the federal Child Tax Credit advance payments. The Maryland Food Bank's own internal analysis has determined that the federal Child Tax Credit provided financial relief to Marylanders specifically. It is difficult to determine if the Child Tax Credit alone reduced child food insecurity because of additional impacting factors related to the effects of the pandemic. However, we do know that 49.9% of Maryland families who received the credit used the extra money to purchase food, and that families who have enough food have better health outcomes.

There is undoubtedly a need for a Child Tax Credit in Maryland, especially one like SB 805 that will support low-income families. Maryland families making less than \$35,000 a year in particular have the highest rates of child food insufficiency (a look at a child's lack of access to food over a shorter period of time, compared to food insecurity which is a look at a child's consistent lack of access to food and often includes a lack of access to other resources) and are the most susceptible to other volatilities such as rising food prices and inflation. The expansion of the state's Child Tax Credit in SB 805 to families making \$15,000 a year is an important and necessary investment in children and families in Maryland.

The Maryland Food Bank appreciates your consideration and respectfully requests a favorable report on SB 805.