



# Welfare Advocates

Founded 1979

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## Senate Bill 805 Income Tax – Child Tax Credit – Alternations and Sunset Extension

Senate Budget and Taxation Committee  
March 9, 2022

### Support

*Welfare Advocates is a statewide coalition of social service organizations, advocacy groups, faith communities, and community members, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.*

**Welfare Advocates supports SB 805**, which would extend and expand Maryland’s Child Tax Credit (CTC) to families who make under \$15,000/year and have a child under 6 or a child under 17 with a disability.

**The Child Tax Credit (CTC) is one of the most successful tools for cutting childhood poverty, yet Maryland’s CTC in its current form is inadequate in providing relief to low-income families.** The Child Tax Credit improves the overall wellbeing of families, increases food security, and improves children’s educational achievement.<sup>1</sup> Unfortunately, Maryland’s CTC is set to expire in 2023, and the credit is restricted to households with incomes under \$6,000 a year, and penalizes families for receiving the federal CTC. SB 805 would make the state’s child tax credit permanent so Maryland families can continue to claim it, as well as increase the income eligibility requirements to \$15,000 and allow families to claim the credit even if they receive the federal CTC.

**Expanding the CTC is an investment in our state’s economy.** Money received through the CTC boosts local economies, as the additional income is often spent at neighborhood businesses on basic necessities such as clothing, food, and transportation. The CTC increases the economic security of low-income families with children as they work to rebuild their lives in the wake of the pandemic. Broadening the scope of who can access this vital tax credit also reduces the likelihood that low-income Marylanders will need to access safety-net programs – such as TCA or SNAP – if they are able to access the CTC.

SB 805 will help low-income families and children living in or near poverty by establishing a permanent child tax credit and expanding eligibility to more Maryland families. **WA appreciates your consideration, and respectfully urges a favorable report on SB 805.**

Submitted by Lisa Klingenmaier, Chair of Welfare Advocates

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<sup>1</sup> IRS: New Evidence on the long-term impacts of tax credits. 2011. <https://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>

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