



LEGISLATIVE POSITION:

Favorable

Senate Bill 404

Working Marylanders Tax Relief Act of 2022

Senate Budget and Taxation Committee

Wednesday, February 9, 2022

Dear Chairman Guzzone and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Earned Income Tax Credits (EITC) are tax benefits designed to help low to moderate income workers. The Federal EITC has been in place since 1975 and Rhode Island was the first State to enact an EITC in 1986. Maryland began providing a nonrefundable state EITC in 1987 and by 1998 the credit became refundable.

Last year the Governor, along with almost unanimous support from the General Assembly, passed emergency legislation known as the RELIEF Act. The RELIEF Act included the largest tax cut in the State's history with \$1.45 billion in tax relief and economic stimulus for struggling Maryland families, small businesses, and those who lost their jobs. In addition to this, the RELIEF Act also enhanced the State's EITC which increased the refundable EITC to 100% of the federal credit for workers without a qualifying child and 45% for other workers for tax seasons 2020 through 2022. SB 404 removes the 2022 expiration for the enhanced EITC included in the RELIEF Act and would make this benefit permanent.

The EITC has been proven to help at every stage of life by improving school performance and increasing work and earnings for future generations. Nearly, 300,000 Marylanders took advantage of the enhanced credit in 2020. SB 404 will ensure that Maryland families continue to have access to tax relief and all the benefits that come along with it.

With these comments in mind, The Maryland Chamber of Commerce respectfully requests a **favorable report** on SB 404 as it ensures that Maryland families will continue to prosper and thrive in the State.