



HB 234- Unemployment Insurance – Notice of Earned Income Tax Credits for Unemployment Insurance
Claimants
House Economic Matters Committee
February 8, 2022
SUPPORT

Chair Wilson, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 234. This bill will require the Maryland Department of Labor to include on each IRS Form 1099-G issued to a claimant for unemployment insurance benefits a statement in English and Spanish regarding the availability of the federal and state Earned Income Tax Credit (EITC).

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.

The EITC is a vital source of revenue for many Marylanders. While the EITC was expanded during the pandemic, 20% of workers do not claim the credit. Every year there are millions of EITC dollars left on the table instead of in the hands and pockets of Marylanders who need it most. This is money that can be used for basic necessities. **This bill will help someone determine if they can buy books for school, pay for a car repair, pay utility bills, or cover other basic needs by being eligible and claiming these EITC funds.**

Individuals who receive unemployment benefits are given a 1099-G tax form. This form is used to report any compensation one receives through unemployment insurance. Claimants should be notified in English and Spanish on their 1099-G Form that they may be eligible for the EITC. Spanish is the main language spoken in 7.5% Maryland households. This is about 470,000 Marylanders¹, making Spanish the second most spoken language in Maryland. Making this form available in both English and Spanish is especially important now that the EITC has been expanded to include ITIN filers. Access to information is one of the ways we can continue to fight poverty. Notifying unemployment insurance claimants about the federal and state EITC is one of the ways to increase Marylanders' access to information.

For these reasons, we encourage a favorable report on HB 234.

¹ <https://statisticalatlas.com/state/Maryland/Languages>