

March 2, 2022

Testimony on House Bill 992 Income Tax - Earned Income Tax Credit - Alteration and Sunset Repeal

House Ways and Means Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. As a member of the Tax Credit for Maryland Families Coalition we strongly urge you to support House Bill 992 to make add make permanent vital provisions to Maryland's Earned Income Tax Credit (EITC).

HB 992 will help low-income families in poverty by:

- Matching 45% of the federal EITC for low income working families
- Matching 100% of the federal EITC for low-income single filers unable to claim dependents
- Maintaining eligibility for ITIN filers permanently correcting a serious inequity
- Expanding income eligibility for single filers unable to claim dependents

Maryland is one of the 28 states that values their hard-working, low-income citizens by offering a state version of the EITC. This credit is one of the most powerful anti-poverty tools utilized by federal, state, and local governments. Research shows it substantially benefits women and communities of color and helps keep people engaged in the workforce. <u>Unfortunately, many people's ability to stay connected to the workforce is threatened.</u> Right now, many low-paid workers are fighting to gain or maintain financial security and refundable tax credits are a critical tool for supporting them.

The EITC is one of the most powerful tools local, state, and federal governments use to lift workers out of poverty. HB 992 will permanently strengthen Maryland's EITC and provide additional aid to millions of Marylanders.

We urge you to give House Bill 992 a favorable report.

