

House Bill 992 Income Tax – Earned Income Tax Credit – Alternations and Sunset Appeal

House Ways and Means Committee
March 2, 2022

Support

Catholic Charities of Baltimore strongly supports HB 992, which strengthens and expands the state's Earned Income Tax Credit (EITC) program by matching 45% of the Federal EITC for low-income families, 100% of the Federal EITC for low-income single filers, expanding income eligibility for single filers, and permanently expanding the EITC to Marylanders who file taxes with Individual Taxpayer Identification Numbers (ITIN).

Inspired by the gospel mandates to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of youth, individuals, and families each year, we recognize the inherent dignity within all - including our immigrant neighbors. Each day, Catholic Charities staff interact with Marylanders facing challenges and difficulties, those challenges and difficulties have only escalated during the Pandemic. COVID-19 has laid to bare longstanding inequities in our systems, including inequitable access to our social safety-net.

HB 992 recognizes the contribution of immigrants to the fabric of our society – it extends to them the benefits we extend to all tax payers. Since 1963, immigrants from all over the world have trusted the Esperanza Center, a Catholic Charities program, to help them navigate life in a new country. Through this work, we have witnessed the enormous contribution immigrant families make to our communities. They are our neighbors, our friends, and they are taxpayers. Yet, when the pandemic struck they were left behind by our government as they didn't qualify for unemployment or stimulus payments. Through our bilingual help hotline, Catholic Charities heard the heartbreaking stories of immigrant families trying to remain healthy while still trying to provide for their children, and there was very little we could offer in terms of economic relief from the pandemic. HB 992 begins to meet this massive gap in our safety-net program by making permanent the RELIEF Act's provision that allows ITIN holder to access our state's EITC program.

HB 992 increases access to the most effective anti-poverty program that we offer as a State. Every year, more than 400,000 low-income Marylanders benefit from the additional income that the EITC provides. Money received through the EITC boosts local economies, as the additional dollars are often spent at neighborhood businesses on basic necessities such as shelter, clothing, and transportation. For every dollar spent by the state on the Earned Income Tax Credit, \$1.24 is returned to the state's economy. Allowing our immigrant neighbors to claim the Earned Income Tax Credit will increase their economic security as they work to rebuild their lives in the wake of the pandemic. Moreover, HB 992 makes the EITC a meaningful benefit for single filers by increasing the income qualifications for the EITC, as well as matching a greater percentage of the Federal EITC.

Our entire society suffers when there is economic instability amongst a segment of our neighbors— providing economic relief to the immigrant community will have a stabilizing effect for us all. The Earned Income Tax Credit is a tested, successful program that engages Marylanders in the workforce and grows our economy. Maryland should take advantage of past EITC success and continue to grow the program by assisting all low-income working households to receive the credit. **On behalf of the individuals and families we work with, Catholic Charities of Baltimore appreciates your consideration of our views, and urges the committee to issue a favorable report for HB 992.**

Submitted By: Lisa Klingenmaier, Assistant Director of Advocacy