

# TAX CREDITS FOR MARYLAND FAMILIES

**HB 992 - Income Tax - Earned Income Tax Credit - Alteration and Sunset Repeal**  
**House Ways and Means Committee**  
**March 02, 2022**  
**SUPPORT**

Chair Atterbeary, Vice-Chair and members of the committee, thank you for the opportunity to testify today in support of House Bill 992. This bill will permanently strengthen Maryland's Earned Income Tax Credit.

Tax Credits for Maryland Families (TCMF) is a coalition of more than 20 organizations committed to educating policymakers and the public about the state's working family tax credits, the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). Our mission is to ensure every eligible individual and family receives the EITC and CTC and identify policy goals that will provide relief for low-income workers. **The coalition identifies opportunities to strengthen the state's working family tax credits and ensure the credits are reaching all eligible taxpayers.**

Maryland is one of the 28 states that values their hard-working, low-income citizens by offering a state version of the EITC. It has shown to substantially benefit women and communities of color and helps keep people engaged in the workforce. Right now, low-income workers are fighting to gain or maintain financial security. **TCMF supports this bill because the EITC is the strongest anti-poverty tool used by local, state, and federal governments.**

HB 992 will help to create stronger families in Maryland by permanently expanding Maryland's EITC to include:

- 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
- Eligibility for people who file taxes with an ITIN
- Expanding income eligibility for single filers unable to claim dependents

**HB 992 will help combat poverty and invest in Maryland families to create a stronger future.**

Maryland took a big step forward in supporting working families in 2021 by expanding the state EITC to include thousands of low-income workers who were previously ineligible for the credit and increasing the value of the credit for all recipients. These changes have made the EITC in Maryland more effective by including all low-income working people, whether they are lifelong Marylanders, immigrants who have chosen Maryland as their home, raising kids, or just starting out on their own. **These gains will be reversed if the General Assembly does not act by 2023.**

The state and federal pandemic relief efforts over the last two years, particularly the expansions of working family tax credits, have clearly demonstrated the powerful benefits of increasing economic security for families. In 2020, tax credits were fourth in keeping families from poverty when economic crisis hit due to the pandemic, according to US Census data<sup>1</sup>. These credits help people navigate times of crisis, reduce the number of children growing up in poverty, and strengthen our economy.

**For these reasons, we encourage a favorable report on HB 992.**

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<sup>1</sup> Census, [The Supplement Poverty Measure: 2020](#)

**For more information about TCMF, please contact Tonaeya Moore at [tonaeya@cashmd.org](mailto:tonaeya@cashmd.org).**