

# **HB 919 - Maryland Food Bank.pdf**

Uploaded by: Anne Wallerstedt

Position: FAV

**February 23, 2022**

**HB 919**

**Income Tax – Child Tax Credit – Alterations and Sunset Extension**

**House Ways and Means Committee**

**Position: Support**

House Bill 919 extends the state’s Child Tax Credit through 2026, as it is set to expire in 2023, and increases the eligibility from families making \$6,000 annually to those making \$15,000. It provides a refundable credit of up to \$500 for each child under 6 or under 17 with a disability.

The Maryland Food Bank estimates that two million Marylanders are at risk of food insecurity. A person who is food insecure does not have consistent access to healthy and nutritious food on any given day, and this problem persists in every area of the state. There are also communities and populations who are disproportionately affected by food insecurity, including families with children. The causes of food insecurity are complex and often include factors such as unstable housing and low income.

A recent study from Columbia University found that a pointed increase in the childhood poverty rate between December 2021 and January 2022 can be directly tied to the expiration of the federal Child Tax Credit advance payments. The Maryland Food Bank’s own internal analysis has determined that the federal Child Tax Credit provided financial relief to Marylanders specifically. It is difficult to determine if the Child Tax Credit alone reduced child food insecurity because of additional impacting factors related to the effects of the pandemic. However, we do know that 49.9% of Maryland families who received the credit used the extra money to purchase food, and that families who have enough food have better health outcomes.

There is undoubtedly a need for a Child Tax Credit in Maryland, especially one like HB 919 that will support low-income families. Maryland families making less than \$35,000 a year in particular have the highest rates of child food insufficiency (a look at a child’s lack of access to food over a shorter period of time, compared to food insecurity which is a look at a child’s consistent lack of access to food and often includes a lack of access to other resources) and are the most susceptible to other volatilities such as rising food prices and inflation. The expansion of the state’s Child Tax Credit in HB 919 to families making \$15,000 a year is an important and necessary investment in children and families in Maryland.

The Maryland Food Bank appreciates your consideration and respectfully requests a favorable report on HB 919.

**HB0919\_Child\_Tax\_Credit\_MLC\_FAV.pdf**

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR HB0919  
INCOME TAX - MARYLAND CHILD TAX CREDIT – ALTERATIONS AND SUNSET  
EXTENSION**

**Bill Sponsor:** Delegate Palakovich-Carr

**Committee:** Ways and Means

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** **FAVORABLE**

I am submitting this testimony in favor of HB0919 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

The Child Tax Credit is a very successful program that supports our lowest-income workers – those making less than \$15,000 per year. The pandemic has made those workers struggle even more, due to the rising prices that result from supply chain problems and worker shortages. Offering low-income workers some relief from taxes, in any way that is possible, will be a blessing for those that are living hand to mouth.

This bill will extend the Child Tax Credit and include children who are younger than 6 and children who are younger than 17 and have a disability. This could not be more timely.

We support this bill and recommend a **FAVORABLE** report in committee.

# **MSCCA written testimony for HB 919 child care tax**

Uploaded by: Christina Peusch

Position: FAV



***Caring For Maryland's Most  
Important Natural Resource<sup>1</sup>...***

## **Maryland State Child Care Association**

Christina Peusch  
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*The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 4500 members and our members provide care and education for Maryland children and support working families. We believe children are our most important natural resources and work hard to advocate for children, families and for professionalism within the early childhood community.*

### **Testimony Concerning HB 919: Income Tax-Child Tax Credit- Child Alterations and Sunset Extension Submitted to the Ways and Means Committee**

**February 23, 2022**  
**Position: Support**

The Maryland State Child Care Association (MSCCA) fully supports the child tax credit alterations and sunset extension. MSCCA priorities agenda includes the expansion of the Child Tax Credit in order to address obstacles for families, especially child care costs for Maryland's neediest families. Due to the unprecedented pandemic that has directly impacted families and businesses in Maryland, we should do more to ensure tax policies are designed to support and meet families' critical needs.

HB 919 will create an important change of qualified child to include a dependent child of a taxpayer that is under the age of 6 or is under the age or 17 and has a disability.

MSCCA is committed to advocating for Maryland families that our members serve. MSCCA believes that the most equitable and efficient way to expand access to quality child care in the state of Maryland is through direct family investments. These Investments include scholarships/subsidies, and tax credits. These public supports will help to address affordability and availability issues for Maryland's families. We know that access to quality child care leads to better outcomes for Maryland's youngest citizens.

The Child Tax Credit is critical for all families and especially our most vulnerable families because without it, they would not receive tax benefits to offset the costs of raising children.

MSCCA applauds the efforts of Delegate Palakovich Carr and hopes the legislature will continue expanding the Child Care Tax Credit as it helps lift families out of poverty and helps provide more opportunities for children.

**MSCCA urges a favorable committee report.**

# **HB 919\_MFN\_FAV\_Macsherry.pdf**

Uploaded by: Clinton Macsherry

Position: FAV



**Testimony Concerning HB 919:  
“Income Tax – Child Tax Credit – Alterations and Sunset Extension”  
Submitted to the House Ways & Means Committee  
February 23, 2022**

**Position: Support**

Maryland Family Network (MFN) supports HB 919, which would allow very low-income families to claim a credit against the State income tax for dependent children.

MFN has worked since 1945 to improve the availability, affordability and quality of child care, family support services, and early education. We have been active in state and federal debates on education and welfare reform and are strongly committed to ensuring that low- and moderate-income working families—and indeed, all families—have the supports they need to care for their children and to be economically self-sufficient.

Poverty has a devastating impact on families, and especially on young children. The children’s physical health, social and emotional development, school readiness, and ultimate life outcomes face severe challenges. Deep poverty—often defined as living with income at less than half the federal poverty level, or approximately \$11,500 for a family of 3—exacerbates these challenges greatly. Even a modest increase in income for these families has been demonstrated by the National Institutes of Health (among others) to result in significantly better outcomes for individuals and for society as a whole. Many Maryland families, even those who have moved from welfare to work, still live in poverty. The child tax credit is one of the most powerful tools for alleviating poverty.

The child tax credit is narrowly targeted to families with incomes of \$15,000 or less. Although the target population is narrow, the individual and social benefits are arguably broader than we can calculate.

MFN urges your favorable consideration of HB 919.



**MD Catholic Conference\_FAV\_HB 919.pdf**

Uploaded by: Garrett O'Day

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

**February 23, 2022**

**HB 919**

**Income Tax – Child Tax Credit – Alterations and Sunset Extension**

**House Ways and Means Committee**

**Position: Support**

The Maryland Catholic Conference offers this testimony in SUPPORT of House Bill 919. The Catholic Conference represents the public policy interests of the three (arch)dioceses serving Maryland, including the Archdioceses of Baltimore and Washington and the Diocese of Wilmington, which together encompass over one million Marylanders.

House Bill 919 extends a refundable tax credit to parents against the State income tax for up to \$500 per child for any child under the age of six. It also maintains the credit for children with disabilities who are under the age of seventeen created in 2021. The bill also would extend the income qualification requirement for parents from a federal adjusted gross income of \$6,000 or less to \$15,000 or less, annually.

The Church has long supported legislation such as Child Tax Credits that provide dignity for low-income people and their families. Furthermore, the United States Conference of Catholic Bishops has supported proposals seeking to “expand assistance to parents with children and improve family formation and stability.” (*Letter to Congress on Child Tax Credit*, USCCB, 3/16/2016) In the *Compendium of the Social Doctrine of the Church*, the Pontifical Council for Justice and Peace asserted that all persons deserve “a wage sufficient to maintain a family and allow it to live decently... There can be several different ways to make a family wage a concrete reality. Various forms of important social provisions help to bring it about, for example, family subsidies and other contributions for dependent family members...” Establishing a Child Tax Credit in Maryland is one significant and tangible way to achieve this stability for low-income families throughout the state.

Child tax credits are proven anti-poverty tools, aiming to eliminate the need for families to make the impossible and unnecessary choice between financial stability and family stability. Moving the qualification threshold up from \$6,000 could allow significantly more low-income parents to take advantage of this anti-poverty benefit. Although a \$15,000 income cap is a seemingly low limit, those who are eligible to claim the credit will notice immediate and substantial financial assistance, particularly when they have multiple dependents. Legislative proposals such as the creation of a child tax credit and the expansion of the Earned Income Tax Credit are important tools for achieving this assistance and combatting poverty.

It is for these reasons that the Conference respectfully requests a favorable report on House Bill 919.

# **Delegate Palakovich Carr - HB 919 - Child Tax Cred**

Uploaded by: Julie Palakovich Carr

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB 919  
Income Tax – Child Tax Credit – Alterations and Sunset Extension**

This bill would expand the Maryland Child Tax Credit to include more low-income families, particularly those who have young children.

In the 2021 session, the General Assembly passed legislation to create the Maryland Child Tax Credit, which was targeted to families with a child with a disability and whose income is less than \$6,000 annually.

This legislation would expand on that credit to include families making up to \$15,000 and who have a child under the age of 6.

HB 919 would cover low-income families who are currently excluded from the federal Child Tax Credit because of their very low income or because their children are not U.S. citizens. These exclusions in the federal credit have resulted in 10% of children in the U.S. not receiving any money from the Child Tax Credit.<sup>1</sup> Research shows that children of color and kids being raised by a single mother are disproportionately impacted.<sup>2</sup> Moreover, 3.7 million kids fell back into poverty once the federal expanded child tax credit ended last year.<sup>3</sup>

**Childhood Poverty Hurts Kids and Our Economy**

Too many children in Maryland are growing up in poverty. Even before the pandemic, thirteen percent of Maryland kids age 0 to 5 are from households living below the federal poverty line.<sup>4</sup> (For a family of four, this equates to \$25,750 a year.) Because of the pandemic, approximately one in six kids in Maryland live in a household where there isn't enough food and one in five households are behind on their rent.<sup>5</sup>

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<sup>1</sup> "Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit," 2019, Columbia University Center on Poverty and Social Policy.

<sup>2</sup> "Children Losing Out: The Geographic Distribution of the Federal Child Tax Credit," 2019, Columbia University Center on Poverty and Social Policy.

<sup>3</sup> "3.7 Million More Children in Poverty in Jan 2022 Without Monthly Child Tax Credit," 2022, Columbia University Center on Poverty and Social Policy.

<sup>4</sup> "Harnessing State Child Tax Credits Will Dramatically Reduce Child Poverty," 2019, Center for American Progress.

<sup>5</sup> "Tracking the Recession's Effects on Food, Housing, and Employment Hardships." October 2021, Center on Budget and Policy Priorities.

Children who grow up in poverty experience lifelong disadvantages. “A wealth of evidence suggests that a lack of adequate family economic resources compromises children’s ability to grow and achieve success in adulthood, hurting them and the broader society as well,” according to a report from the non-partisan National Academy of Sciences.<sup>6</sup>

Among the negative impacts documented by researchers about children living in poverty are low birthrate, impaired physical health, and mental health problems. Negative effects continue into adulthood, including lower educational attainment; difficulty obtaining steady, well-paying employment; and a greater likelihood of risky behaviors, delinquency, and criminal behavior in adolescence and adulthood.<sup>5</sup>

The good news is that we can prevent many of these negative outcomes by helping families with children to rise out of poverty. For instance, one study found that boosting a low-income family’s income by \$3,000 per year until a child’s sixth birthday translates into a 17 percent average increase in adult earnings for that child.<sup>7</sup> Other studies have found that monetary subsidies for low-income families improve children’s educational achievement, the developmental progress of babies, and even increases their propensity as adults to vote.<sup>8</sup> For these reasons, the National Academy of Sciences report recommended expanding the Child Tax Credit as a cornerstone of its plan to cut the child poverty rate in half in the United States.<sup>5</sup>

This bill would expand the state’s Child Tax Credit. A taxpayer with income below \$15,000 would qualify for a \$500 tax credit for each qualified child who is age 0 to 5 or is age 0 to 16 with a physical, intellectual, developmental, or emotional disability.

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<sup>6</sup> “A Roadmap to Reducing Child Poverty,” 2019, National Academies of Sciences, Engineering, and Medicine.

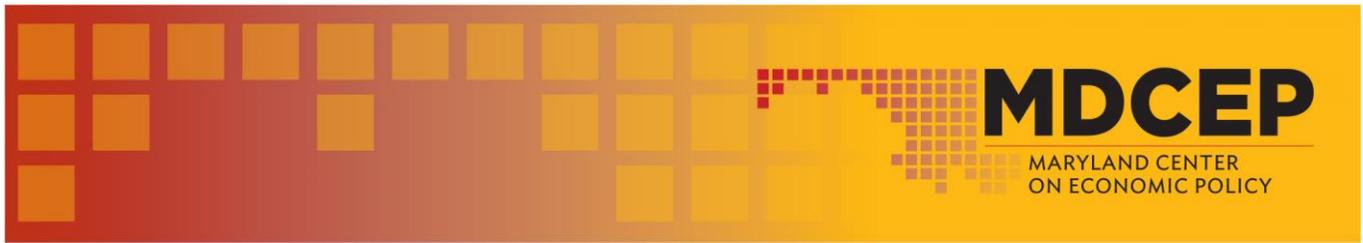
<sup>7</sup> “Early-Childhood Poverty and Adult Attainment, Behavior, and Health,” Greg J. Duncan, Kathleen M. Ziol-Guest, and Ariel Kalil, 2010, *Child Development* 81(1): 306-325.

<sup>8</sup> <https://www.nytimes.com/2020/08/22/sunday-review/coronavirus-poverty-child-allowance.html>

**HB919\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV



FEBRUARY 23, 2022

# Expanding the Child Tax Credit Would Make a Big Difference for Thousands of Kids across Maryland

## Position statement in support of House Bill 919

*Given before the House Ways and Means Committee*

Every child deserves to grow up in a safe home free of the daily stress that comes with economic insecurity. The federal Child Tax Credit advances this goal by providing an income boost to 300,000 low-income Maryland families with children. Now that a temporary measure that significantly strengthened the federal credit was allowed to expire, the federal credit once again provides only minimal benefits to many families, and locks some out entirely.<sup>i</sup> The Maryland Center on Economic Policy supports House Bill 919 because it would build on the modest state Child Tax Credit the General Assembly enacted in 2021 and extend a much-needed income boost to 34,000 or more Maryland children in very low-income households who are now locked out of the federal credit.

Working family tax credits like the Child Tax Credit are an important part of economic security even in the best of times, and the economic instability many low-income families with children have experienced because of the COVID-19 pandemic has made additional assistance even more vital. Marylanders in households with children were significantly more likely to report having trouble meeting basic household expenses, compared to households without children, according to data from the most recent U.S. Census Bureau “Household Pulse” survey<sup>ii</sup>. A larger refund at tax time would be a huge help to the families struggling to make ends meet.

The federal Child Tax Credit provides families an income boost of up to \$2,000 per child at tax time. The credit benefits households in a wide range of income levels, with the majority taking home between \$10,000 and \$75,000 each year. About 300,000 Maryland households claimed the low-income (refundable) portion of the credit in 2016. Research has long shown that this income boost can bring lifetime benefits—improving children’s health, helping them succeed in school, and ultimately enabling many to get better jobs in adulthood.<sup>iii</sup> Yet for many children who would gain the most from increased family income, the credit currently provides only small benefits or leaves them out entirely:

- Families whose income is less than \$2,500 per year are not eligible to claim the credit at all.
- Families with slightly higher incomes—up to about \$25,000 for a single parent with one child, or higher for larger families—can claim a partial credit, but are not eligible for the full \$2,000 per child.
- The Trump administration's signature federal tax overhaul expanded the maximum value of the credit from \$1,000 to \$2,000 per child, but capped the refundable portion that is most helpful to low-income families at a lower amount. This choice shut struggling families out of the biggest benefits, even as the law handed a windfall to large corporations and wealthy individuals.
- Worse yet, the 2017 tax law for the first time required children to have a Social Security number to be eligible for the full credit, taking much-needed benefits away from about 1 million children nationwide who

were born outside the United States.

- While these limitations were temporarily reversed for tax year 2021 under the American Rescue Plan Act, Congress has not yet acted to further extend the major improvements Child Tax Credit that were part of that legislation. This increases the need for state-level action to

House Bill 919 would guarantee low-income families with young children or children with disabilities a benefit of \$500 per child. It also extends the sunset of the state credit to 2027. Unlike the federal credit, House Bill 919 does not lock out children in families with the lowest incomes or children without a Social Security number. Altogether, it would put \$17 million into the hands of thousands of families each year, benefiting 34,000 or more Maryland children.<sup>iv</sup> This modest income boost could mean better access to nutritious food or enriching reading materials, or could even help keep the electricity or heat on.

We owe it to Maryland children to guarantee a basic living standard and a foundation for success at school and in the workforce. House Bill 919 would represent an important step in that direction, correct shortcomings in the federal child tax credit, and bring meaningful benefits to tens of thousands of Maryland children.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Ways and Means Committee make a favorable report on House Bill 919.**

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## Equity Impact Analysis: House Bill 919

### *Bill summary*

House Bill 919 would create a state counterpart to the federal Child Tax Credit. Tax filers would be eligible to claim the credit if they have a qualifying child under age six or an older child who has a disability, and have federal adjusted gross income under \$15,000. The credit would guarantee that eligible filers receive a state Child Tax Credit of \$500. Unlike the federal credit, the state credit would not exclude children in families with very low incomes or children who do not have a Social Security number.

### *Background*

The federal Child Tax Credit provides families a credit of up to \$2,000 per child. In 2016, about 300,000 Maryland households claimed the refundable portion of the credit, which is capped at \$1,400 per child. Families with annual income less than \$2,500 are not eligible to claim the federal credit, and families with income below about \$25,000 can claim only a partial credit. Research shows that increased family income in early childhood can bring lifetime health, educational, and workforce benefits.<sup>v</sup>

The 2017 federal tax overhaul expanded the maximum value of the credit from \$1,000 to \$2,000 per child, but capped the refundable portion that is most helpful to low-income families at \$1,400, meaning that millions of children nationwide saw only minimal gains. The law also for the first time required children to have a social security number to be eligible for the full credit, taking away existing benefits from about 1 million children nationwide.

### *Equity Implications*

While there are not sufficient data to estimate the characteristics of people who would benefit from House Bill 919, data from the current federal Child Tax Credit as well as legislation to improve the credit suggest that the bill would likely bring the largest benefits to women and people of color:

- Analysis of the Working Families Tax Relief Act, a federal bill proposed in 2020 to expand and improve the federal Earned Income Tax Credit and Child Tax Credit, including reforms similar to those in House Bill 919. Among Maryland households expected to benefit from this bill, 57 percent were households of color; 40% were Black households; 11 percent were Latinx households; and 8 percent were Asian, American Indian/Alaska Native, or belonging to another racial group.<sup>vi</sup>
- As of tax year 2012, 65 percent of Maryland parents benefiting from the federal earned income tax credit or child tax credit were women.<sup>vii</sup>
- Because House Bill 919 increases benefits for families with the lowest incomes—who, because of historical and ongoing policies, are disproportionately made up of women and people of color—the bill would likely have even greater benefits for these groups than the current Child Tax Credit.
- The bill departs from the 2017 tax law approach of intentionally harming people born outside the United States. Instead, House Bill 919 offers the credit to immigrant and United States-born children equally.

### *Impact*

House Bill 919 would likely **improve racial, gender, and economic equity** in Maryland.

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<sup>i</sup> "The Child Tax Credit: A Tool for Fighting Child Poverty in Maryland," Center on Budget and Policy Priorities, 2019, [https://www.cbpp-multimedia.org/1-25-19tax/1-25-19tax\\_actc\\_maryland\\_statewide.pdf](https://www.cbpp-multimedia.org/1-25-19tax/1-25-19tax_actc_maryland_statewide.pdf)

<sup>ii</sup> In this case, "Marylanders in households with/without children" and "households with/without children" refer to adults with at least one child under 18 in the household." MDCEP analysis of 2022 Census Household Pulse Survey data, <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>

<sup>iii</sup> Chuck Marr, Chye-Ching Huang, Arloc Sherman, and Brandon Debot, "EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds," Center on Budget and Policy Priorities, 2015, <https://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>

<sup>iv</sup> Total benefits based on the fiscal and policy note for Seate Bill 638 of 2020. At a maximum benefit of \$500 per child, this cost implies that at least 34,000 children would receive the credit.

<sup>v</sup> Marr et al., 2015.

<sup>vi</sup> Chuck Marr, Brendan Duke, Yixuan Huang, Jennifer Beltrán, Vincent Palacios, and Arloc Sherman, "Working Families Tax Relief Act Would Raise Incomes of 46 Million Households, Reduce Child Poverty," Center on Budget and Policy Priorities, 2019, <https://www.cbpp.org/research/federal-tax/working-families-tax-relief-act-would-raise-incomes-of-46-million-households>

<sup>vii</sup> "Fact Sheet: 21 Million Mothers Benefit from Tax Credits for Lower-Income Working Families," Center on Budget and Policy Priorities, 2015, <https://www.cbpp.org/research/federal-tax/fact-sheet-21-million-mothers-benefit-from-tax-credits-for-lower-income-working>  
"Fact Sheet: 21 Million Fathers Benefit from Tax Credits for Lower-Income Working Families," Center on Budget and Policy Priorities, 2015, <https://www.cbpp.org/research/federal-tax/fact-sheet-13-million-fathers-benefit-from-tax-credits-for-lower-income-working>

# **Community Action Board Testimony\_HB919\_Income Tax**

Uploaded by: Leslie Frey

Position: FAV



**Montgomery County Community Action Board Testimony in Support of HB919  
Income Tax – Child Tax Credit – Alterations and Sunset Extension  
February 23, 2022**

TO: The Honorable Vanessa E. Atterbear, Chair; The Honorable Alonzo T. Washington, Vice Chair;  
and Members of the Ways and Means Committee

FROM: Tiffany Jones, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board, the County’s federally designated anti-poverty group, strongly supports HB919 and asks the Committee for a favorable report. HB 919 will help low-income families and children in poverty by extending the state’s Child Tax Credit through tax year 2026 and expanding eligibility to families earning \$15,000 or less and include children under age six and will continue to include children with disabilities.

Child Tax Credits provide critical support to lower-income households. These credits have been linked to numerous positive effects on families. Similar to the Earned Income Tax Credit, research has shown a strong connection between Child Tax Credits and increased birthweights<sup>1</sup>, with larger impacts for births to African American women, improved maternal health<sup>2</sup>, and decreases in children entering foster care<sup>3</sup>. These credits also have a greater impact on reducing poverty for households of color<sup>4</sup>.

In Montgomery County, the changes proposed in this bill can have a significant impact on eligible families because the cost of living is so high. If HB919 passes, the CTC would be available to households earning \$15,000 or less. This is only a small fraction of the annual income needed to be self-sufficient in Montgomery County (\$91,252 for a family of four with two adults, one preschooler, and one school-age child)<sup>5</sup>. This bill would therefore target the very lowest-income households who are struggling the most to pay for basic necessities. The \$500 credit per child could make a substantial difference for these families.

The CTC is the most effective tool for cutting the rate of childhood poverty. HB919 is a step in the right direction by making the CTC available to more families, but we hope the Committee will also consider further expansions in the years to come.

For these reasons, we encourage a favorable report on HB 919.

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<sup>1</sup> <https://pubs.aeaweb.org/doi/pdfplus/10.1257/pol.20120179>

<sup>2</sup> [https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC\\_Health\\_Final\\_Draft.pdf](https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC_Health_Final_Draft.pdf)

<sup>3</sup> <https://journals.sagepub.com/doi/full/10.1177/1077559519900922>

<sup>4</sup> <https://www.cbpp.org/research/state-budget-and-tax/state-earned-income-tax-credits-help-build-opportunity-for-people-of>

<sup>5</sup> <http://www.selfsufficiencystandard.org/>

**WA - HB 919 - CTC - FAV.docx.pdf**

Uploaded by: Lisa Kligenmaier

Position: FAV



# Welfare Advocates

Founded 1979

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Phone: 410.261.5874 • Fax: 410.889.0203

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## House Bill 919

### Income Tax – Child Tax Credit – Alternations and Sunset Extension

#### House Ways and Means Committee

February 22, 2022

#### Support

*Welfare Advocates is a statewide coalition of social service organizations, advocacy groups, faith communities, and community members, whose mission it is to educate ourselves, and the wider community and to advocate for an adequate safety net and public policies that support families moving towards economic stability.*

**Welfare Advocates supports HB 919**, which would extend and expand Maryland’s Child Tax Credit (CTC) to families who make under \$15,000/year and have a child under 6 or a child under 17 with a disability.

**The Child Tax Credit (CTC) is one of the most successful tools for cutting childhood poverty, yet Maryland’s CTC in its current form is inadequate in providing relief to low-income families.** The Child Tax Credit improves the overall wellbeing of families, increases food security, and improves children’s educational achievement.<sup>1</sup> Unfortunately, Maryland’s CTC is set to expire in 2023, and the credit is restricted to households with incomes under \$6,000 a year, and penalizes families for receiving the federal CTC. HB 919 would make the state’s child tax credit permanent so Maryland families can continue to claim it, as well as increase the income eligibility requirements to \$15,000 and allow families to claim the credit even if they receive the federal CTC.

**Expanding the CTC is an investment in our state’s economy.** Money received through the CTC boosts local economies, as the additional income is often spent at neighborhood businesses on basic necessities such as clothing, food, and transportation. The CTC increases the economic security of low-income families with children as they work to rebuild their lives in the wake of the pandemic. Broadening the scope of who can access this vital tax credit also reduces the likelihood that low-income Marylanders will need to access safety-net programs – such as TCA or SNAP – if they are able to access the CTC.

HB 919 will help low-income families and children living in or near poverty by establishing a permanent child tax credit and expanding eligibility to more Maryland families. **WA appreciates your consideration, and respectfully urges a favorable report on HB 919.**

Submitted by Lisa Klingenmaier, Chair of Welfare Advocates

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<sup>1</sup> IRS: New Evidence on the long-term impacts of tax credits. 2011. <https://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>

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# **HB0919\_FAV\_MDAAP\_Income Tax - Child Tax Credit - A**

Uploaded by: Pam Kasemeyer

Position: FAV



TO: The Honorable Vanessa E. Atterbeary, Chair  
Members, House Ways and Means Committee  
The Honorable Julie Palakovich Carr

FROM: Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone

DATE: February 23, 2022

RE: **SUPPORT** – House Bill 919 – *Income Tax – Child Tax Credit – Alterations and Sunset Extension*

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The Maryland Chapter of the American Academy of Pediatrics (MDAAP) is a statewide association representing more than 1,100 pediatricians and allied pediatric and adolescent healthcare practitioners in the State and is a strong and established advocate promoting the health and safety of all the children we serve. On behalf of MDAAP, we submit this letter of **support** for House Bill 919.

House Bill 919 expands and enhances Maryland's Child Tax Credit. The refundable tax credit of \$500 per child is expanded to include any child under the age of 6 in addition to the current law which includes children with disabilities under the age of 17. Further, the bill increases to \$15,000 or less annually, the federal adjusted gross income required to qualify for the credit from the current requirement of \$6,000 or less annually.

Child tax credits are a proven approach to reducing child poverty and the need for families to make the impossible and unnecessary choice between financial stability and family stability. The ongoing pandemic continues to increase the number of children and families who are living in poverty, experiencing food insecurity, and are at risk for housing instability. Increasing the \$6,000 income cap to \$15,000 and including children under 6 years of age will increase the number of low-income Maryland families that will benefit from the tax credit and expand the positive impact the credit provides in stabilizing their financial challenges. Enactment of House Bill 919 will reduce the incidences of childhood poverty and all its related negative impacts on child growth and development. A favorable report is requested.

**For more information call:**

Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000

**CASH\_ Support HB 919.pdf**

Uploaded by: Robin McKinney

Position: FAV



HB 919- Income Tax – Child Tax Credit – Alterations and Sunset Extension  
House Ways & Means Committee  
February 23, 2022  
POSITION: Support

Chair Atterbeary, Vice Chair Washington, and members of the committee, thank you for the opportunity to testify in support of HB 919. This bill will extend the Maryland Child Tax Credit (CTC) and make its benefits available to more low-income families.

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.**

We are a member of the Tax Credits for Maryland Families Coalition. 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). **The coalition identifies opportunities to strengthen the state tax credits and ensure the credits are reaching all eligible taxpayers.**

TCMF supports this bill because the CTC is an important step in combating childhood poverty. HB 919 will help low-income families and children in poverty by extending the credit through 2026 and expanding eligibility requirements for Maryland families. Currently, Maryland's CTC is set to expire in 2023, restricts income to under \$6,000 a year, applies only to children with a disability, and penalizes families for receiving the federal CTC.

HB 919 will help to create stronger families in Maryland. The CTC is used to mitigate costly expenses that negatively impact families' overall well-being. Families have expenses such as childcare, transportation, health, and school materials. By establishing a stronger Maryland CTC, more families will receive money that can be directly used to manage some of these daily costs. This will increase families' financial stability and will give them more opportunities for them and their children to thrive.

Households experiencing poverty suffer from limited access to food, unemployment, unstable housing, inadequate medical care, and utility shutoffs. These consequences have long-term negative effects on children that follow them into adulthood. **HB 919 is a crucial step forward in combating childhood poverty and fostering secure families for future generations.**

The CTC is one of the most powerful tools governments use to lift children out of poverty. It is the most effective tool for cutting the rate of childhood poverty. HB 919 will improve the Maryland CTC by expanding the credit and helping it reach more Maryland families.

**For these reasons, we encourage a favorable report on HB 919.**

**TCMF Support\_HB 919.pdf**

Uploaded by: Robin McKinney

Position: FAV



House Ways & Means Committee  
HB 919- Income Tax – Child Tax Credit – Alterations and Sunset Extension  
February 23, 2022  
POSITION: Support

Chair Atterbeary, Vice-Chair, and members of the committee, thank you for the opportunity to testify in support of HB 919. This bill will establish a permanent Maryland Child Tax Credit (CTC).

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). The coalition identifies opportunities to strengthen the state tax credits and ensure the credits are reaching all eligible taxpayers.

TCMF support this bill because the CTC is an important step in combating childhood poverty. HB 919 will help low-income families and children in poverty by establishing a permanent credit and expanding eligibility requirements for Maryland families. Currently, Maryland's CTC is set to expire in 2023, restricts income to under \$6000 a year, and penalizes families for receiving the federal CTC.

HB 919 will help to create stronger families in Maryland. The CTC is used to mitigate costly expenses that negatively impact families' overall well-being. Families have expenses such as childcare, transportation, health, and school materials. By establishing a stronger Maryland CTC, more families will receive money that can be directly used to manage some of these daily costs. This will increase families' financial stability and will give them more opportunities for them and their children to thrive. Households experiencing poverty suffer from limited access to food, unemployment, unstable housing, inadequate medical care, and utility shutoffs. These consequences have long-term negative effects on children that follow them into adulthood. **HB 919 is a crucial step forward in combating childhood poverty and fostering secure families for future generations.**

The CTC is one of the most powerful tools governments use to lift children out of poverty. It is the most effective tool for cutting the rate of childhood poverty. HB 919 will improve the Maryland CTC by expanding the credit and helping it reach more Maryland families.

For these reasons, we encourage a favorable report on HB 919.

**MAP\_HB919\_FAV.pdf**

Uploaded by: Stacey Jefferson

Position: FAV



## TESTIMONY IN SUPPORT OF HB 919

Income Tax – Child Tax Credit – Alterations and Sunset Extension  
House Ways and Means Committee  
February 22, 2022

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

### Member Agencies:

211 Maryland

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services,  
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action  
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

Public Justice Center

St. Vincent de Paul of Baltimore

Welfare Advocates

### Marylanders Against Poverty

Julia Gross, Co-Chair

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Kali Schumitz, Co-Chair

P: 410-412- 9105 ext 701

E: [kschumitz@mdeconomy.org](mailto:kschumitz@mdeconomy.org)

**Marylanders Against Poverty (MAP) strongly supports HB 919**, which would extend and expand the Maryland Child Tax Credit (CTC). This credit will be for people who make under \$15,000 and have a child under 6 or a child under 17 who has a disability.

Last year, the Maryland General Assembly passed historic legislation, [Senate Bill 218](#), which created the state's first CTC. This created a temporary credit for families that make under \$6,000 and have a child that is under 17 years old and has a disability. The credit can be claimed for up to \$500 and only if the family did not receive the maximum federal CTC. This legislation was an important step at combating childhood poverty through tax credits; however, it is inadequate in continuing to provide low-income families relief.

Maryland has a particularly high rate of families living in "deep poverty," having income that is less than half of the federal poverty level, or about \$11,515 for a family of three. About half of Marylanders with income below the federal poverty level experience deep poverty.

Children that live in deep poverty have a hard time succeeding in school. Their families have less resources to devote to educational programs, especially ones that are before kindergarten. This means that these children are at higher risk of falling behind their peers. Research shows the CTC along with the EITC improves children's educational achievement<sup>1</sup>. Families that live in deep poverty also have decreased access to nutritious food and health services. Health issues experienced at a young age can have effects that will follow children throughout adulthood.

HB 919 will help low-income families and children in poverty by establishing a permanent credit and expanding eligibility requirements for Maryland families. This legislation would extend the credit so Maryland families can continue to claim it through 2026. This bill will also increase the income eligibility requirements to \$15,000, include all children 6 and younger, and allow families to claim the credit even if they receive the federal CTC.

The CTC is one of the most powerful tools governments use to lift children out of poverty. It is the most effective tool for cutting childhood poverty. HB 919 will improve last year's legislation by expanding the credit and reaching more Maryland families

**MAP appreciates your consideration and urges the committee to issue a favorable report for HB 919**

*Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*

<sup>1</sup> [IRS: NEW EVIDENCE ON THE LONG-TERM IMPACTS OF TAX CREDITS](#)

**House Bill 919\_FWA.docx.pdf**

Uploaded by: Shamoyia Gardiner

Position: FWA

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# **TESTIMONY IN SUPPORT**

*with Amendments*

Testimony to the Appropriations and Ways and Means Committees  
in amended support of  
House Bill 919: Income Tax – Child Tax Credit – Alterations and Sunset Extension  
February 23, 2022

**Strong Schools Maryland urges a favorable vote on an amended House Bill 919: Income Tax – Child Tax Credit – Alterations and Sunset Extension.**

The Blueprint for Maryland’s Future envisions a world-class system of public schools for our state’s students. The Kirwan Commission’s far-ranging research in early childhood education led them to make recommendations that function outside of the traditional K-12 system. Similarly, the General Assembly saw fit to support policies that invest in Judy and Patty centers, recognizing the intergenerational benefit of supporting entire families with young children early on. Further, both the Commission and the General Assembly prioritized addressing the impacts of concentrated poverty on student and school success.

House Bill 919 seeks to expand the eligibility for the state child tax credit to families earning up to \$15,000 annually and those with children under the age of six, regardless of the child(ren)’s disability status. We understand the intended outcome of this bill to be beneficial for families and expect that decreasing familial poverty will contribute to long-term positive outcomes for children in the state.

However, we also see several key opportunities to broaden the impact of the legislation via amendment:

- Require the State Comptroller to widely publicize this tax credit eligibility information in at least the top five widely-used languages in Maryland
- Require the State Comptroller and/or State Department of Education to share this information directly with child care and early education providers across the state (including Patty and Judy Centers), to increase the likelihood that eligible Marylanders will know of and take advantage of this benefit
- Require the State Comptroller to collaborate with trusted groups to address inequitable access to such benefits in vulnerable (particularly immigrant and mixed-status) communities

House Bill 919 would go a long way towards creating the world-class system of education our children deserve—by first extending benefits to families experiencing deep poverty in Maryland. There is much more that can and should be done to strengthen the sentiment of this bill, and so we respectfully urge an amended favorable report on the bill.

Thank you,

Shamoyia Gardiner | Executive Director  
[shamoyia@strongschoolsmaryland.org](mailto:shamoyia@strongschoolsmaryland.org)