

Testimony.pdf

Uploaded by: Beverly Winstead

Position: FAV

**Testimony in support of SB 312 – Tax Clinics for Low-Income Marylanders – Funding
Repeal of Sunset**

Before the Senate Budget and Taxation Committee

February 8, 2023

Good afternoon, Chair Guzzone, Vice Chair Rosapepe and members of the Budget and Taxation Committee. My name is Beverly Winstead, Clinic Instructor at the University of Maryland Francis King Carey School of Law, Low Income Taxpayer Clinic. I am pleased to join Senator Zucker and my colleagues from the University of Baltimore (UBalt) and the Maryland Volunteer Lawyers Services (MVLS) in supporting SB 312.

During the 2021 Legislative Session, a special fund was created to provide supplemental grant funding for the University of Maryland Carey School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service (MVLS) to operate tax clinics for low-income state residents. While tax clinics already existed at all three entities, they were only permitted to assist citizens with federal tax related issues since the clinics received grants from the Internal Revenue Service (IRS). The passage of SB 480 and HB 421 in 2021 which received overwhelming support from the Legislature, enabled the clinics to establish resources and outreach efforts to provide support for state related tax issues for Marylanders.

I am pleased to share with you the incredible work Carey School of Law has been engaged in to actively support Marylanders since standing up our Low-Income Tax Clinic:

- We conducted 16 outreach activities (in person and virtual) estimating our reach to approximately 40,862 Maryland taxpayers
- Assisted Maryland taxpayers resolve their Maryland tax problems by:
 - securing refunds (7 taxpayers)
 - assisting with state audit of tax returns (26 taxpayers)
 - assisting with innocent spouse claim (2 taxpayers)
- Aided Marylanders with repaying outstanding MD taxes (60 taxpayers) by
 - Setting up payment plans
 - Filing Offers in Compromise
 - Requesting hardship status

And we have served clients from all over the state. Specifically, from Anne Arundel, Baltimore County, Baltimore City, Caroline, Carroll, Cecil, Charles, Frederick,

Harford, Howard, Montgomery, Prince Georges, Queen Anne, St. Mary's, and Talbot counties.

The majority of our cases closed in 6 months or less.

The 2021 legislation called for the Comptroller to distribute \$250,000 equally divided between the three entities (UBalt, UMCSOL and MVLS) for fiscal 2022 and 2023. In order to continue our good work for the citizens of Maryland, it is imperative that SB 312 pass so that funding of the program can continue in fiscal year 2024 and beyond.

We are excited to further our work and continue to support Marylanders in resolving state related tax issues which proves beneficial to not only our citizens but to the state as well. SB 312 ensures that hard-working Marylanders with tax disputes get the representation they deserve. Therefore, I strongly urge the Committee to provide a favorable report on SB 312.

Thank you for your consideration.

Tax Clinics Bill Testimony (Fitzgerald Mofo).pdf

Uploaded by: Fitzgerald Mofo

Position: FAV

Testimony of Senator Craig J. Zucker
Senate Bill 312 - Tax Clinics for Low-Income Marylanders' - Funding - Repeal of Sunset
Senate Budget and Taxation Committee
February 8th, 2023
1:00 PM
Position: Support

INTRODUCTION:

Good afternoon Chairman, Vice Chairman, and distinguished members of the Budget and Taxation committee. For the record my name is Fitzgerald Mofor and I am glad to join Senator Zucker to make the Tax Clinics bill a permanent program.

WHY REPEAL SUNSET DATE:

Majority of American struggle with \$1000 emergency payments. The inconvenient truth is that, obtaining tax reconciliation assistance on state tax issues can be a fiscal quagmire for Marylanders. The cost to obtain a Tax barrister is exceedingly high. In fact, retaining such tax professionals is nearly impossible for some. As public servants, it is our duty to ease the burdens of our constituents.

WHAT DOES THE TAX CLINICS BILL DO:

This bill extends current law where Maryland Taxpayers can be represented in court on their state taxes. The original bill unanimously passed through the senate. We ask for a favorable report.

Law Institutions:

- Maryland Carey Law
- University of Baltimore School of Law
- Maryland Volunteer Lawyer Service (MVLS)

Achievements:

- Conducted 16 outreach activities, which estimated out to the outreach of 40,862 MD TaxPayers.
- Secured tax refunds.
- Assisted with state audit returns.
- Assisted with Innocent Spouse Claims.
- Aided Marylanders with outstanding Maryland Taxes (Request hardship status, payment plans and compromise offers.
- Reached out to over 5000 Low-Income Marylanders.

Prior to this bill, said entities were generally focused on federal tax issues that pertain to the Internal Revenue Service. Maryland Carey Law and UBalt Law operate low-income tax clinics funded by federal grants from the IRS. Federal tax grants as such prohibit state tax assistance. This program would allow Low-Income Marylanders to obtain legal support regarding state tax affairs, which isn't attainable due to the lack of financial bandwidth and wherewithal. This bill is not just fiscally expedient to Low-Income Marylanders, this bill is fiscally prudent and advantageous to the general collective of Marylanders at large. Such tax lien reconciliation will facilitate an accrual in revenue garnered to proliferate robust growth regarding public education, infrastructure and a multitude of publicly funded entities.

HOW REPEALING SUNSET DATE IS VIABLE:

The 2021 Tax Clinics bill required the Comptroller's Office to disperse \$250,000 which will be equally distributed in thirds to said law institutions. This allocation of funds will be drawn from the unclaimed property fund from the Comptroller's Office. The unclaimed property fund currently sits on \$2.2Billion. \$127Million was dispersed from the unclaimed property fund in the previous fiscal year on all legislative priorities. \$250,000 allotted to these institutions have no significant budgetary impact to the unclaimed property fund. To ensure we fervently provide a pathway that alleviates the burden of unpaid state taxes, I implore rank and file members of the Budget and Taxation committee, Chairman Guzzone, Vice Chair Rosapepe to support the repudiation of a sunset date on this integral bill and allow Low-Income Marylanders enjoy the amenities of state tax reconciliation in perpetuity. It would be a dereliction of duty if we failed to do so.

SB 312 - Support - B&T - Tax Prep Fund - Feb 8

Uploaded by: Henry Bogdan

Position: FAV



marylandnonprofits.org

1500 Union Avenue | Suite 2500 | Baltimore, MD 21211
410.727.6367 | 800.273.6367 | Fax 410.235.2190

February 8, 2023

Testimony on Senate Bill 312
Tax Clinics for Low-Income Marylander – Funding
Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We urge you to support Senate Bill 312 to continue the dedicated funding from abandoned property to the lowest income Marylanders.

The Tax Clinics for Low-Income Marylanders Fund provides funding to the University of Maryland School of Law, the University of Baltimore School of Law, and Maryland Volunteer Law Service (MVLS). These organizations are designated by the IRS as Low Income Taxpayer Clinics (LITC). This means that they help represent low income people in disputes with the IRS, and they provide education and outreach to people who speak English as a second language.

LITC's are helpful in communities because they provide representation for little to no fee. They receive a small amount of funding from the IRS, and there is an income ceiling to qualify for the low-income clinic based on family size.

Addressing concerns about taxes is a daunting task for most individuals. Low-income people do not have room in their budget to hire an attorney, and attorneys are key to have the best outcome in resolving their issues. They can help with things such as submitting an Innocent Spouse Relief application, requesting an audit reconsideration, and representing clients in Tax Court.

These processes can be intimidating, and lead to people not completing the appropriate application or not responding. This will jeopardize a person's financial stability, and it will exacerbate the initial issue. This program makes essential help available in many of our communities and provides an element of social equity for those who cannot realistically afford private assistance with issues in the basic function of paying their own fair share of government taxes.

We urge you to give Senate Bill 312 a favorable report.



Maryland Nonprofits' mission is to strengthen organizations and networks for greater quality of life and equity.

Written Testimony in support of SB0312.pdf

Uploaded by: janice shih

Position: FAV

**TESTIMONY OF JANICE SHIH
DIRECTOR, LOW INCOME TAXPAYER CLINIC
UNIVERSITY OF BALTIMORE SCHOOL OF LAW**

IN SUPPORT OF SB 0312

COMMITTEE ON BUDGET & TAXATION

Feb. 8, 2023

Good afternoon Chairman Guzzone, Vice Chair Rosapepe, and members of the Committee.

My name is Janice Shih and I am the Director of the Low Income Taxpayer Clinic (LITC) at the University of Baltimore School of Law. Thank you for this opportunity to testify in support of Senate Bill 0312.

I am proud to join Senator Zucker and my colleagues Beverly Winstead from the University of Maryland School of Law and John Hardt from the Maryland Volunteer Lawyers Service in this request for repeal of the sunset date for funding for Maryland tax clinics.

This initial funding was distributed to the three different LITCs, to enhance our current work with low income Maryland taxpayers with IRS disputes. Each site chose to do something different with the funding - the University of Baltimore's LITC focused on outreach and education.

Initially, we mailed informational flyers to over 5000 low-income households in Dorchester and Allegany counties to advertise the tax legal services offered by Maryland's LITCs. In addition, UB LITC collaborated with MVLS, local VITA site CASH Campaign, and Centro de Derechos del Migrantes (a legal services organization focused on migrant workers) on an outreach event for migrant crab workers in Dorchester County. These crab workers were victims of a fraudulent tax return preparer, and our coalition worked together to file current year tax returns for them.

In 2022, UB's LITC went through a significant transition with the prior director's departure in the spring and the arrival of a new director in the fall. With the advent of the new director, a tax lawyer from the non-profit sector (the former LITC Tax Director at Maryland Volunteer Legal Services (MVLS)) who is steeped in community initiatives, the focus of the funding shifted.

We are all familiar with recent world events, such as the war in Ukraine, the evacuation of our allies from Afghanistan with the rise of the Taliban, the collapse of Venezuela's economy, and the increase in the global refugee population. While these may appear distant events from our shores, they actually hit home with a distinct impact on the State of Maryland.

As of January 2023, almost 200,000 individuals arrived in the U.S. through immigration programs authorized by the U.S. government. In addition, as of September 2022, 589,660 young adults had DACA (Deferred Action for Childhood Arrivals); as of November 2022, 537,000 people had TPS (Temporary Protected Status); and in FY2022 25,465 refugees arrived with more expected this year due to the end of the pandemic. All these individuals are legally authorized to work in the U.S. In addition, these numbers do not include the hundreds of thousands of asylum-seekers who are also legally authorized to work in the U.S, but with pending cases.

Maryland has always been home to a substantial number of refugees, immigrants, and immigrant communities, so a certain percentage of the aforementioned populations are destined to reside in our state. Maryland is also home to offices of several U.S. Department of State refugee resettlement partners, including the International

Rescue Committee, Lutheran Immigration and Refugee Services, Ethiopian Community Development Council African Community Center, and HIAS who assist with the resettlement benefits and services for many of the recent arrivals. In addition, our state hosts MORA (Maryland Office for Refugees and Asylees), Baltimore's Mayor's Office of Immigrant Affairs, and hundreds of community-based organizations, faith-based organizations, and houses of worship providing services, programs, and support to these populations. Maryland is a welcoming state for immigrants and refugees and has an established infrastructure to support their needs, with the exception of tax legal services.

Like all new arrivals who are employment authorized in the U.S., these individuals often lack knowledge and awareness of the U.S. tax system – why, how, and where to file state income taxes. As tax is confusing enough for those of us born here, imagine the difficulty and challenges it presents to individuals new to this country who don't know and understand our tax system, or how to navigate it. New arrivals come to the U.S. with various levels of English proficiency, education, and/or trauma from past experiences in addition to different cultural norms and mores. The University of Baltimore has identified this population as in need of tax assistance and created a new community outreach initiative to address this issue.

TAPIR, or Tax Assistance Project for Immigrants and Refugees, aims to identify and assist low income refugees and immigrants who have tax issues with the State of Maryland, and provide tax outreach, education, and legal services. This work will proactively encourage tax compliance as well as facilitate tax administration for this population. Not only do we plan to prevent tax problems (and headaches) for individuals before they happen but to resolve them if they do. In turn, we believe this will benefit the State of Maryland by providing accurate tax revenue and reducing the need for extra administrative involvement.

While UB's LITC will continue to serve all eligible low income Marylanders, it recognizes the special circumstances of low income refugees and immigrants that distinguishes them from the wider population. Tax problems often unintentionally arise with this unsuspecting population, and as a result they could negatively impact an individual's immigration status, ability to obtain employment, and financial viability and self-sustainability. With TAPIR, UB's LITC hopes to prevent or minimize such problems while simultaneously promoting immigrant integration into American society through the tax system and process. At the same time, the State of Maryland benefits by having improved tax compliance and the appropriate tax revenue directed to the Maryland Comptroller.

These individuals are members of our community – they live, work and attend school among us in the State of Maryland – and most are legally authorized to work. Regardless of whether they are recent arrivals or have been here for a while, many are marginalized and underserved for being low income and lack knowledge of tax law and access to competent legal counsel to resolve tax issues. It is our responsibility to appropriately educate and assist them if we expect them to understand and comply with our tax laws and systems. After all, if they are here using our State and municipal services they should be contributing to them through the payment of taxes and receiving refunds, if rightfully deserved. Through TAPIR, the University of Baltimore looks forward to meeting the tax needs of refugees and immigrants in our community. Overall, we consider our project a win-win for everyone in the State of Maryland.

The University of Baltimore School of Law is grateful for your funding and interest in its work as we jointly serve the Maryland tax community with the State of Maryland.

SB0312 MVLS Written Testimony Page 2.pdf

Uploaded by: John Hardt

Position: FAV

after the date taxes are assessed. A levy, or garnishment, can reduce already low wages, leaving an individual with insufficient income both for their daily necessities as well as for future owed taxes.

The cycle continues, when the taxpayer falls further behind on paying their taxes and the taxpayer sinks deeper and deeper into debt owed to the State that they can't pay.

When the balance is not paid, the state moves to put a flag or hold on the individual's driver's license, vehicle registration or professional license. In order to lift the hold, the taxpayer must pay at least 10% of the amount due, and enter into an installment agreement, which is often unsustainable. However, taxpayers agree to these plans, as they are desperate to get their license back to return to work. The taxpayer then defaults on their installment agreement, and their license may be flagged again – with the down payment now 20% for the hold to be lifted. Again, the taxpayer enters into an unsustainable installment agreement, promising anything just to be able to get their license back. This process leaves no path for a taxpayer to resolve the debt, and has a tremendous cost to Maryland's economy, when eligible employees can't obtain or sustain employment because of license suspensions.

Having legal representation to guide taxpayers is essential to resolving their tax issues. Resolutions such as hardship liability waivers, offers-in-compromise (OIC) and sustainable, affordable installment agreements are difficult to achieve on one's own. Most taxpayers do not even know that these options exist, much less know how to apply for them. Enabling an individual to resolve their tax debt gives them a path forward to sustainable employment and becoming a compliant taxpayer.

If passed, SB0312 would allow low-income taxpayers with Maryland tax issues to continue to seek and receive this much needed assistance. Here are two examples of taxpayers who would not have been able to resolve their tax problems on their own.

1. Kevin had a long history of drug and alcohol abuse. Having graduated from a residential rehab program, Kevin was ready to move forward with his life with school and a new job. However, Kevin owed an outstanding tax balance to Maryland and there was a hold on his license, preventing him from obtaining his Commercial Driver's License (CDL). A MVLS volunteer helped Kevin obtain a Hardship Liability Waiver, allowing him to obtain his CDL. Kevin is now a licensed CDL driver, and is moving towards a sustainable payment plan with the State.
2. Cecilia and Bob were married for over 15 years when she discovered that he had accrued a large tax debt, partly from his business, and had involved her without her knowledge. Cecilia filed for bankruptcy and was released from the federal tax lien of \$126,643. However, her Maryland tax debt of \$16,139 was not discharged. A MVLS volunteer stepped in to assist Cecilia, by filing an appeal with Maryland to rescind the 2012 assessment, with over-payments of \$4,713.75 credited to Cecilia's account. The volunteer then worked with Cecilia to do an OIC to settle the rest of her liabilities.

MVLS has been fighting to even the playing field for low income Marylanders for decades, and we know that these members of our community face significant financial obstacles when trying to put their lives back on track. The need for representation is pressing, but legislation like SB0312 would ensure that MVLS can continue to provide that representation to Marylanders year after year.

Chairman Guzzone and members of the Committee, thank you again for the opportunity to testify.

SB0312 MVLS Written Testimony.pdf

Uploaded by: John Hardt

Position: FAV



EXPANDING ACCESS TO JUSTICE FOR 40 YEARS

Susan Francis
EXECUTIVE DIRECTOR

BOARD OF DIRECTORS

Alexandria K. Montanio
PRESIDENT

David G. Sommer
VICE PRESIDENT

Penny J. Minna
TREASURER

Jamie Tansey
SECRETARY

Tyree Ayers
Shereefat O. Balogun
Matthew M. Bryant
Jhonell Campbell
Richard L. Costella
Susan DuMont
Brian Gordon
La'Tika Howard
Dr. Ann Irvine
Robin Leone
Reba Lesta
Saad Malik
Michael March
Anthony May
Michelle McGeogh
Chealsea Ortega
Derek Roussillon
Marc E. Shach
Dennis J. Shaffer
Sheila J. Stewart
D'Sean Williams-Brown

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF SB0312 TAX CLINICS FOR LOW-INCOME MARYLANDERS
FUNDING – REPEAL OF SUNSET

2/8/2023

Chairman Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 312.

My name is John Hardt and I am the Director of the Low Income Taxpayer Clinic (LITC) at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteer lawyers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY22, MVLS volunteer and staff lawyers provided legal services to 3,458 people across the state. Through our LITC program, we encounter many clients who owe back taxes to the state of Maryland, resulting in consequences such as liens, levies, holds on driver's licenses, professional licenses, and vehicle registration. For the reasons explained below, MVLS respectfully requests the committee return a favorable report on SB0312.

There are three federally funded LITC programs in the state of Maryland: MVLS LITC, the University of Baltimore School of Law LITC and the University of Maryland Carey School of Law LITC. LITCs are federally funded to provide assistance to low-income taxpayers with federal tax issues. These clinics are allowed to assist low-income taxpayers with Maryland tax issues, but only if a federal tax issue already exists. For taxpayers with only a Maryland Tax issue, these LITCs cannot use their federal funding. Even without state funding for the LITCs, MVLS made the financially difficult decision to provide service to taxpayers with only Maryland tax issues, but this was unsustainable. Only the introduction of Maryland state funding allowed MVLS to continue. SB0312 continues the vital funding all three LITC programs need to provide legal representation for assistance with Maryland tax matters.

Low-income Marylanders who have tax issues with the Maryland Comptroller face a bevy of serious consequences. Once a taxpayer owes a tax, the Comptroller adds penalties and an interest rate of 9.5%. This quickly escalates into an even larger sum owed, with taxpayers often feeling overwhelmed and unsure of how to even start to deal with the issue. Calls to the Maryland Comptroller involve long wait times, and responses are not always standardized, leading to more confusion. As with any issue, having legal representation to navigate through this system is crucial to a timely resolution.

As a taxpayer's balance grows, the state moves to put a lien for the balance due, or to levy wages. The lien becomes a public record, which can impact an individual's credit as well as ability to gain employment. Tax liens don't expire until 20 years

SB312 - DLS - FAV.pdf

Uploaded by: Michelle Siri

Position: FAV



DELIVERY OF **LEGAL SERVICES COMMITTEE**

POWERED BY MARYLAND ACCESS TO JUSTICE COMMISSION & MARYLAND STATE BAR ASSOCIATION

BILL NO: Senate Bill 312
TITLE: Tax Clinics for Low-Income Marylanders - Funding - Repeal of Sunset
COMMITTEE: Budget & Taxation
HEARING DATE: February 8, 2023
POSITION: **Favorable**

The Delivery of Legal Services Committee (DLS) of the Maryland Access to Justice Commission was formed to promote the fair administration of justice in the State of Maryland. The Committee supports and encourages free or low-cost legal services for people of limited means through legal services programs for the indigent, public interest legal organizations, *pro bono publico*, reduced fee, and other alternatives to traditional fee-for-service representation to provide access to the courts, and court alternatives for the resolution of disputes. The areas include legal practice and legal reform for the indigent and persons of modest means, for example, civil rights, consumer advocacy, civil and criminal legal services, and lawyer referral services. The Committee is comprised of a mix of practicing attorneys, including those working for civil legal aid organizations, private practitioners, and government attorneys, who all share a common goal: increasing access to justice.

Senate Bill 312 seeks to repeal a sunset provision regarding funding for tax clinics for low-income Marylanders. In 2022, this legislative body passed legislation that established the Tax Clinics for Low-Income Marylanders Fund (the "Fund") and provided \$250,000 to the fund to be distributed via grants to both the University of Maryland and the University of Baltimore Schools of Law, as well as the Maryland Volunteer Lawyers Service, to operate the tax clinic.

Tax collection is a unique legal process, as it is a civil matter brought by the government to collect taxes where the litigant, who often bears the burden of proof, is not entitled to an attorney. Low-income taxpayers who cannot afford representation often find themselves in catastrophic situations, with significant economic consequences, unable to navigate the complex tax system. While the IRS provides funding for a tax clinic related to federal tax claims, no funding was provided for the significant state matters, until the creation of the Fund. As originally passed, however, the legislation sunsets the funding for the clinic in 2023. SB312 would repeal that sunset and continue the funding for this critically important clinic to continue providing this necessary public service.

Approximately 71% of low-income households experience a civil legal problem every year, and yet only about 20% of those individuals are able to obtain the legal representation they need. For all the reasons contained herein, the Delivery of Legal Services Committee urges a favorable report on SB312.

MD Catholic Conference_FAV_SB0312.pdf

Uploaded by: MJ Kraska

Position: FAV



February 08, 2023

SB 312

Tax Clinics for Low-Income Marylanders - Funding - Repeal of Sunset

Senate Budget & Taxation Committee

Position: Favorable

The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 312 repeals the termination date of certain provisions of law requiring the Comptroller to distribute a certain amount of certain abandoned property funds to the Tax Clinics for Low-Income Marylanders Fund which provides grants to the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income Maryland residents.

The basis for all that the Church believes about the moral dimensions of economic life is its vision of the transcendent worth—the sacredness—of human beings. The Second Vatican Council stated, *"The dignity of the human person, realized in community with others, is the criterion against which all aspects of economic life must be measured."* All human beings, therefore, are ends to be served by the institutions that make up the economy, not means to be exploited for more narrowly defined goals. Senate Bill 312 affords low-income Marylanders the opportunity to attend tax preparation programs in pursuit of economic justice and a common good within society.

The Conference appreciates your consideration and respectfully urges a **favorable** report for Senate Bill 312.

SB 312-Tax Clinics for Low-Income Marylanders - Fu

Uploaded by: Robin McKinney

Position: FAV



SB 312 - Tax Clinics for Low-Income Marylanders - Funding - Repeal of Sunset
Budget and Taxation Committee
February 8th, 2023
SUPPORT

Chairman Guzzone, Vice-Chair and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 312. This bill will continue funding for Tax Clinics for Low-Income Marylanders.

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 Tax Clinics for Low-Income Marylanders Fund provides funding to the University of Maryland School of Law, the University of Baltimore School of Law, and Maryland Volunteer Law Service (MVLS). These organizations are designated by the IRS as Low-Income Taxpayer Clinics (LITC). This means that they help represent low-income people in disputes with the IRS, and they provide education and outreach to people who speak English as a second language¹. LITC's are helpful in communities because they provide representation for little to no fee. They receive a small amount of funding from the IRS, and there is an income ceiling to qualify for the low-income clinic based on family size.

Addressing concerns about taxes is a daunting task for most individuals. Low-income people do not have room in their budget to hire an attorney, and attorneys are key to have the best outcome in resolving their issues. They can help with things such as submitting an Innocent Spouse Relief application, requesting an audit reconsideration, and representing clients in Tax Court. These processes can be intimidating, and lead to people not completing the appropriate application or not responding. This will jeopardize a person's financial stability, and it will exacerbate the initial issue.

These clinics help current law students become more prepared for work after law school. They also become connected to helping low-income populations, which can last throughout their career. Students have the opportunity to participate in litigation and negotiations. They also gain experience with interviewing clients and researching cases. This experience will build a cohort of attorney's that will have the desire and knowledge to serve low-income communities.

Thus, we encourage you to return a favorable report for SB 312.

¹ <https://taxpayeradvocate.irs.gov/about/litc>

SB312_Zucker_FAV.pdf

Uploaded by: Senator Craig Zucker

Position: FAV

CRAIG J. ZUCKER
Legislative District 14
Montgomery County



James Senate Office Building
11 Bladen Street, Room 122
Annapolis, Maryland 21401
410-841-3625 • 301-858-3625
800-492-7122 Ext. 3625
Fax 410-841-3618 • 301-858-3618
Craig.Zucker@senate.state.md.us

Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 312 – Tax Clinics for Low-Income Marylanders - Funding - Repeal of
Sunset
Senate Budget and Taxation Committee
February 8, 2023
1:00pm
Position: SUPPORT

Good afternoon, Chairman Guzzone, Vice Chairman Rosapepe, and distinguished members of the committee. It is my pleasure to testify today in **support of Senate Bill 312 – Tax Clinics for Low-Income Marylanders - Funding - Repeal of Sunset.**

Senate Bill 312 repeals the sunset that would end the program in fiscal year 2023 and mandates the Governor to appropriate \$250,000 to the Tax Clinics for Low-Income Marylanders fund each fiscal year.

The funds will continue to be equally distributed among the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income Maryland residents.

In 2021, this bill was voted unanimously out of the Budget & Taxation Committee and the Senate floor.

For these reasons, I urge a favorable report on Senate Bill 312. Thank you for your consideration.