



SB 552
Family Prosperity Act of 2023
Senate Budget and Taxation Committee
March 1, 2023

Support

Catholic Charities of Baltimore supports SB 552, which permanently expands Maryland’s Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) programs.

Inspired by the Gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. For 100 years, Catholic Charities has accompanied Marylanders as they age with dignity, obtain empowering careers, heal from trauma and addiction, achieve economic independence, prepare for educational success and feel welcome as immigrant neighbors. As the largest human service provider in Maryland working with tens of thousands of youth and families each year, we recognize the important role that tax credits – like the EITC and CTC – have in helping low-income families make ends meet.

The EITC and CTC are two of the most effective anti-poverty programs 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 both the EITC and CTC boosts local economies, as the additional dollars are often spent at neighborhood businesses on basic necessities such as shelter, clothing, and transportation. Working family tax credits substantially benefit women-lead households and communities of color, helping to address racial disparities in income and wealth.¹

SB 552 will help create stronger families in Maryland by permanently expanding Maryland’s EITC & CTC to include:

- Matching 45% of the federal EITC for low-income working families and 100% of the federal EITC for low-income single filers unable to claim dependents;
- Maintaining EITC eligibility for ITIN filers; and
- Permanently creating a state CTC and extending eligibility to all children under 6 years old, increasing income eligibility to \$15,000 or less, and eliminating the requirement that a taxpayer reduce the value of the credit by the amount of the federal CTC claimed.

In particular, SB 552 recognizes the contribution of immigrants to the fabric of our society as it permanently expands the EITC to ITIN filers. 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, and how they are left behind by being ineligible for most safety-net programs. Our entire society suffers when there is economic instability amongst a segment of our neighbors, and permanently codifying economic relief to the immigrant community will have a stabilizing effect for us all.

The EITC and CTC are tested, successful programs that engage Marylanders in the workforce and grow our economy. **For the reasons listed above, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 552.**

Submitted By: Regan Vaughan, Director of Advocacy

¹ Center of Budget and Policy Priorities. 2019. *Women of Color Especially Benefit from Working Family Tax Credits*. https://www.cbpp.org/research/federal-tax/women-of-color-especially-benefit-from-working-family-tax-credits#_ftn1

