



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

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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 advocates on behalf of our 5000 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionals within the early childhood community.

**Testimony: SB 552
Family Prosperity Act 2023
Testimony: Support
Submitted to: Ways and Means
February, 16, 2023**

MSCCA supports SB552. Thank you to President Ferguson and the Administration for their leadership.

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, affordable child care leads to better outcomes for Maryland's youngest citizens.

MSCCA believes children are our most important natural resource. As an organization, it is imperative that we advocate for both children and their families.

SB552 makes strides in expanding the reach of the In Maryland, a resident can claim a tax refund utilizing certain percentages of their earned income tax credit. This percentage has continuously increased from 2013. SB552 would allow the percentage of the allowable earned income tax credit to remain at 45% moving forward, instead of reverting back to 28% after 2022 as is stipulated in current law.

This bill also increases the income threshold in which a taxpayer may claim credits in respect to how many dependent children they have. Under current law, a taxpayer making under \$6,000 a year could claim credits of \$500 per dependent child. This legislation would increase that threshold to \$15,000—an increase of \$11,000. This means that more families in need would qualify for these important \$500/per dependent credits. Additionally, SB552 expands the definition of a “Qualified child” to include all dependents under the age of 6.

The Family Prosperity Act of 2023 is a huge step toward a more equitable state. Allowing more families to have the opportunity to claim larger tax returns and credits alleviates an enormous burden. MSCCA understands the importance of investing in Maryland's families most in need. Research shows “that income from the EITC and CTC leads to improved educational outcomes for young children in low-income households. For each \$1,000 increase in annual income over two to five years, children's school performance improves on a variety of measures, including academic test scores.¹” This is just one example of the benefits Maryland's children and families will see when SB552 becomes law.

We must leave no one behind in Maryland and MSCCA fully supports these important steps to family prosperity.

MSCCA urges a favorable report.

¹ [5 Ways the EITC Benefits Families, Communities, and the Country | Center on Budget and Policy Priorities \(cbpp.org\)](https://www.cbpp.org/5-Ways-the-EITC-Benefits-Families-Communities-and-the-Country)