

**TESTIMONY OF JANICE SHIH
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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.