



March 1, 2023

Senate Bill 552

**Family Prosperity Act of 2023
Senate Budget and Taxation Committee**

Position: SUPPORT

The Family Prosperity Act of 2023 will make important changes to the state's Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) to alleviate poverty and increase economic resources for our most vulnerable Maryland families and children. This legislation will ensure that Maryland children with disabilities do not lose their current benefits and will provide additional support to families with young children.

Anne Arundel County as a whole is a wealthy county. Our 2018 Poverty Amidst Plenty report found that our median household income reached \$99,652, higher than that of Maryland and of the United States. Although the majority of county residents are economically secure, there were still about 34,314 county residents estimated to be living in poverty at the end of 2017. A little over a quarter of these individuals were age 17 or younger.

Maryland has made significant progress in creating and expanding these programs in recent years. Legislation passed in 2021 created a temporary state CTC for disabled children in families with income of less than \$6,000. That same year, legislation enacted changes to expand the refundable EITC. SB 552 will build on that progress by permanently extending the state's EITC and removing the \$530 cap for adults without qualifying children. The bill will also expand the state's CTC to cover taxpayers with children 5 and under who have a federally adjusted gross income of \$15,000 or less. Finally, the bill retains the existing credit for children older than 6, which only applies to children with disabilities.

The EITC and the CTC are proven policies for reducing economic hardship and have been linked to many positive effects on families and children. Research on both tax credits has shown a strong connection between increased family income and lasting improvements in children's health, education, and future earnings. These credits also are demonstrated to have a greater impact on reducing poverty for households of color.

Thank you to Governor Wes Moore for including this important legislation in his legislative agenda, and thank you to the 73 House co-sponsors who signed on in support of this legislation. Please continue to build on legislative efforts to help Maryland families rise out of poverty by issuing a **FAVORABLE** report on SB 552.

Stuart Pittman
County Executive