

SB 552

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

SUPPORT

Senate Bill 552 makes permanent increases to the eligibility of families for the state Child Tax Credit from those making \$6,000 annually to those making \$15,000, providing a refundable credit of up to \$500 for each child under 6 or under 17 with a disability. It also expands Maryland's Earned Income Tax Credit by matching 45% of the federal EITC for families claiming dependents and 100% of the federal EITC for individuals without dependents. Importantly, it allows filers with ITIN numbers to claim the credit.

The Maryland Food Bank estimates that 1 in 3 Marylanders are at risk of food insecurity. A person who is food insecure does not have consistent access to healthy and nutritious food on any given day, and this problem persists in every area of the state. There are also communities and populations who are disproportionately affected by food insecurity, including families with children. The causes of food insecurity are complex and often include factors such as unstable housing and low income.

Internal analysis by the Maryland Food Bank has determined that the monthly advance of federal Child Tax Credit payments provided significant financial relief to food insecure Marylanders. Half (49.9%) of Maryland families who received the credit used the extra money to purchase food, the highest spending category. There is undoubtedly a need for an expanded Child Tax Credit in Maryland, especially one like this that will support low-income families; 1 out of every 2 Maryland families making less than \$35,000 a year are currently experiencing food insufficiency, and 1 in 3 families across all income levels reported that their children are not eating enough because food was unaffordable.

Similarly, expanding the reach of the EITC could dramatically improve the economic status for thousands of low-income Marylanders. Currently, 35% of Marylanders are finding it difficult to afford their basic household necessities, including food, rent, and utilities. The EITC is a time-tested anti-poverty tool that provides financial assistance to those who need it most, and in turn stimulates the economies of local communities to grow and thrive.

The Family Prosperity Act of 2023 is an important and necessary investment in children and families. The Maryland Food Bank respectfully requests a favorable report on SB 552.