MARYLAND CATHOLIC CONFERENCE

March 1st, 2023

SB 552
Family Prosperity Act of 2023

Budget & Taxation Committee

Position: Favorable

The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

In 2021, Maryland took a big step forward in supporting working families by expanding the state Earned Income Tax Credit (EITC) to include thousands of low-income workers who were previously ineligible for the credit and increasing the value of the credit for all recipients. It also created the state's first Child Tax Credit (CTC). These actions showed Maryland's commitment to fighting childhood poverty and made the EITC in Maryland more effective by including all low-income working people, whether they are lifelong Marylanders, immigrants who have chosen Maryland as their home, raising kids, or just starting out on their own.

Senate Bill 552 will help to create stronger families and combat childhood poverty 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.
- Permanently creating a state CTC.
- Extending eligibility to all children under 6 years old for the CTC.
- Increasing income eligibility to $15,000 or less for the CTC.
- Eliminating the requirement that a taxpayer reduce the value of the credit by the amount of the federal CTC claimed.

We strongly believe that this bill acts as a tool that can help to offset the impact of inflation, provide relief to families, and improves the lives of children and families.

The Conference appreciates your consideration and respectfully urges a **favorable** report for Senate Bill 552.