



TESTIMONY IN SUPPORT OF HB 547

Family Prosperity Act of 2023

House Ways and Means Committee

February 16, 2023

Submitted by Kali Schumitz and Mark Huffman, Co-Chairs

Member Agencies:

211 Maryland

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) strongly supports HB 547, which expands Maryland's Earned Income Tax Credit (EITC) and Child Tax Credit (CTC).

The EITC and CTC are critical anti-poverty tools. The EITC helps low-wage workers in Maryland by reducing their tax burden, creating additional economic security for themselves, and strengthening low-income workers' connections to the workforce. The EITC helps people make ends meet and continue working despite low wages. EITC refunds are used to cover bills or afford things that could be difficult to afford at any other time. For example, people can use the credit to address health concerns. They can catch up on medical bills, make health insurance payments, or cover the cost of a doctor's appointment or medication.

This credit will help bridge a gap left by federal policy. For federal policy, there are families that earn too little to receive a substantial EITC. Some families do not qualify to receive the CTC at all. Maryland has the opportunity to not only increase the amount of credit low-income working families receive but to also cover families that make too little for federal policy.

Establishing a state CTC will boost the health and financial stability of low-income families. When families have more access to money, they can seek medical services, buy more health supplies, and they have a greater opportunity to obtain food and housing security. Working can be expensive for families. Parents need childcare, transportation, and other support to be able to participate in the workforce. By establishing a Maryland CTC, families can receive money that can be directly used to manage some of these factors. This means that these families will have a higher opportunity to increase work hours, therefore increasing that family's income for longer than the initial credit.

It is important for workers who file taxes with an ITIN to maintain eligibility for Maryland's EITC. The main goal of the EITC is to lift low-wage workers from poverty and encourage people to work. Immigrant workers pay over \$100 million in taxes annually without being eligible for most tax credits or public assistance programs. Permanently extending the numerous benefits of the EITC to ITIN filers will not only improve immigrant communities' connection to the workforce, but it will also support local businesses. All low-income Marylanders deserve access to the EITC to improve their economic security and strengthen families across the state.

MAP appreciates your consideration and urges the committee to issue a favorable report for HB 547.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.