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Testimony on Senate Bill 312
Tax Clinics for Low-Income Marylander – Funding
Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1500 nonprofit organizations and institutions. We urge you to support Senate Bill 312 to continue the dedicated funding from abandoned property to the lowest income Marylanders.

The Tax Clinics for Low-Income Marylanders Fund provides funding to the University of Maryland School of Law, the University of Baltimore School of Law, and Maryland Volunteer Law Service (MVLS). These organizations are designated by the IRS as Low Income Taxpayer Clinics (LITC). This means that they help represent low income people in disputes with the IRS, and they provide education and outreach to people who speak English as a second language.

LITC's are helpful in communities because they provide representation for little to no fee. They receive a small amount of funding from the IRS, and there is an income ceiling to qualify for the low-income clinic based on family size.

Addressing concerns about taxes is a daunting task for most individuals. Low-income people do not have room in their budget to hire an attorney, and attorneys are key to have the best outcome in resolving their issues. They can help with things such as submitting an Innocent Spouse Relief application, requesting an audit reconsideration, and representing clients in Tax Court.

These processes can be intimidating, and lead to people not completing the appropriate application or not responding. This will jeopardize a person's financial stability, and it will exacerbate the initial issue. This program makes essential help available in many of our communities and provides an element of social equity for those who cannot realistically afford private assistance with issues in the basic function of paying their own fair share of government taxes.

We urge you to give Senate Bill 312 a favorable report.

