



Hearing Testimony March 30, 2023
House Ways and Means Committee
Service Employees International Union, Local 500, CtW, CLC

Senate Bill 552 – Family Prosperity Act 2023

SUPPORT

SEIU Local 500 represents over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty and Staff at several Maryland colleges and universities, staff at non-profits and many other working people across the region. **SEIU Local 500 strongly supports Senate Bill 552 the Family Prosperity Act of 2023.** We thank Governor Moore for making this one of his legislative priorities during his first term as Governor. In the richest state in the richest country in the history of the world, there is no excuse for having nearly 190,000 children living in poverty. The Family Prosperity Act is one policy that strives to leave no one behind.

The Family Prosperity Act will permanently strengthen Maryland's Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). It combines two proven, effective tax credit programs that have been shown to uplift families and reduce the rate of childhood poverty. The bill increases economic security for more than 40,000 working families by permanently adopting the larger EITC adopted in 2021. Without this legislation, these families will effectively get a tax increase when they file their taxes this year.

By passing SB 552 Maryland will further strengthen its commitment to children and working families. Research shows it substantially benefits women and communities of color and helps keep people engaged in the workforce. Unfortunately, many people's ability to stay connected to the workforce is threatened, as currently many low-paid workers are fighting to gain or maintain financial security. Refundable tax credits can serve as critical tools to help keep working families afloat. Children that live in deep poverty have a hard time succeeding in school. Their families have fewer resources to devote to educational programs, especially ones that are before kindergarten. This means that these children are at higher risk of falling behind their peers. Research shows that states that have strong EITC participation on the state and federal level also see increased academic performance¹.

¹ Michigan State University

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SB 552 will help fight childhood poverty by:

- Permanently creating a state CTC
- Extending eligibility to all children under 6 years of age
- Increasing income eligibility to \$15,000 or less
- Eliminating the reduction of the value of the credit by the amount of the federal CTC claimed

Senate Bill 552 will permanently strengthen Maryland's EITC and CTC and provide additional aid to tens of thousands of Marylanders. **We ask for your support for SB 552 and strongly urge a favorable committee report.** Thank you each for your dedication to our state and for considering our testimony.

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