



Testimony of Montgomery County Young Democrats to House Ways and Means Committee in Support of HB 547–Family Prosperity Act of 2023

February 16th, 2023

Chair Atterbeary, Vice Chair Wilkins, members of the House Ways and Means Committee:

The Montgomery County Young Democrats strongly support [HB 547, the Family Prosperity Act of 2023](#), and urge your support for the bill. The Family Prosperity Act would permanently extend Maryland’s Earned Income Tax Credit and expand the Child Tax Credit. It would help Marylanders living in poverty, promote economic mobility, and greatly reduce child poverty.

Maryland is a wealthy state but our overall wealth masks significant economic hardship for many of our residents. According to the [U.S. Census Bureau](#), 10.3% of Marylanders live in poverty, meaning that for a family of four, they earn \$27,750 or less. Poverty is especially harmful to children, since many poor families struggle to afford basic necessities like food, shelter, and health care. Children who grow up poor often have poorer health outcomes, lower educational attainment, and increased difficulty finding jobs as adults. All of these factors contribute to a cycle of poverty that is difficult to break—poor children are more likely to grow up to be poor adults.

Recognizing this, the Maryland Legislature took action. In 2021 the Legislature passed an expansion of Maryland’s Earned Income Tax Credit, which extended the tax credit to undocumented immigrants, certain survivors of domestic violence, and student visa holders. The expansion also included a child tax credit for people who make \$6,000 or less and who have children with disabilities.

Maryland’s earned income tax credit is intended to benefit working people with low or moderate incomes. The credit either gives people money back at tax time or lowers the federal taxes that they owe—it provides help to low-wage workers and rewards them for having a job. The 2021 expanded tax credit helped many Marylanders who were harmed by the COVID-19 pandemic

and were struggling to pay their bills. However the expansion was only temporary which has raised concerns about the impact on workers when it expires.

The Family Prosperity Act—HB 547—would permanently extend that expansion of Maryland's Earned Income Tax Credit, providing lasting help to workers. The current law also caps the tax credit at \$530 for adults without qualifying children, and HB 547 would remove that harmful and arbitrary cap. The Family Prosperity Act further expands the Child Tax Credit to cover taxpayers with children 5 and under and who have an income of less than \$15,000. Currently the tax credit can only apply to taxpayers with kids who earn \$6,000 or less, which is an appallingly low threshold. This reform will raise the income limit under which people can get the tax credit by \$11,000, which will help tens of thousands of Marylanders living in poverty.

Governor Wes Moore's budget proposal [allocates \\$171 million](#) for this permanent extension of the Earned Income Tax Credit and expansion of the Child Tax Credit. In his recent State of the State address, Governor Moore pledged to end child poverty, saying, "No group deserves our help more than the children of Maryland. In a state with the highest median income in the country, one in eight of our children lives in poverty." The Family Prosperity Act is one of his top priorities; it will strike a major blow against child poverty, and enable tens of thousands of families to flourish.

This may seem like a wonky and abstract issue that has little impact on most people's lives. But nothing could be further from the truth. Maryland's Earned Income Tax Credit provides badly needed funds to Maryland families, helping them keep a roof over their head and put food on the table. And this expansion will help them ever more.

We Montgomery County Young Democrats believe that budgets are moral documents. A budget reflects who we are and what our society values. No one who works full time should live in poverty, and no child should grow up in poverty. It is our responsibility to ensure that American abundance is distributed so that everyone can share in prosperity. And it is time for the House of Delegates and the Senate to make the correct moral choices and end child poverty in Maryland.

The Montgomery County Young Democrats urge the House Ways and Means Committee to favorably report HB 547, the Family Prosperity Act.

Please contact us at mocoyoungdems@gmail.com if you have any questions.

Sincerely,

The Montgomery County Young Democrats