



Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 547 – Family Prosperity Act of 2023
Ways and Means Committee
February 16, 2023

The Rural Maryland Council supports House Bill 547 – Family Prosperity Act of 2023.

This bill supports self-sufficiency in working families by making positive revisions to the requirements for the federal and local Earned Income Tax Credit (EITC).

The Earned Income Tax Credit (EITC) is a highly beneficial program for working people with low to moderate incomes as it reduces the amount of income tax owed and refunding taxes paid through employment. Those who qualify for the federal EITC claim it on their personal income tax return and Maryland offers an additional State EITC equal to 50% of the federal tax credit.

Expansion of the Earned Income Tax Credit will help low-income earners throughout Maryland achieve greater financial self-sufficiency by putting more money directly back into the pockets of eligible workers. The Earned Income Tax Credit requires little cost to administer and has shown to reduce the number of households who receive cash welfare assistance by incentivizing employment. According to the U.S. Department of Health and Human Services, households that claim the credit, particularly single and female heads of households, have seen their wages grow through subsequent years than similar households that did not claim the credit.

Maryland's rural areas often report higher rates of poverty compared to their urban and suburban counterparts. The poverty rate in Somerset County is currently reported at 23.6% by the US Census Bureau. ([U.S. Census Bureau QuickFacts: Somerset County, Maryland](#)). Allegany County's poverty rate is 16.4%. ([U.S. Census Bureau QuickFacts: Cumberland city, Maryland; Somerset County, Maryland](#)). This program will encourage the utilization of the EITC and provide financial benefits to low-income families.

The Rural Maryland Council historically supports the EITC and respectfully requests your favorable support of House Bill 547.