

SB0676's proposed funding of mobile, statewide tax clinics organized through the CASH Campaign of Maryland, would be an excellent opportunity to spread the benefits of tax preparation and tax assistance services to areas of the state which have historically had less access than others. While MVLS' Tax Clinic can accept cases from all areas of the state, all three clinics are currently located in the Baltimore area. Even though the mobile clinics are planned to be focused on tax preparation rather than tax controversies, tax preparers are quite often the ones who identify tax controversies and inform taxpayers that clinics like ours can help.

Low-income Marylanders who have tax issues with the Maryland Comptroller face a bevy of serious consequences. Once a taxpayer owes a tax, penalties and interest accrue rapidly, with taxpayers often feeling overwhelmed and unsure of how to even start to deal with the issue. As a taxpayer's balance grows, the state moves to put a lien for the balance due, or to levy wages, or to put a hold on their driver's license or professional license. The lien becomes a public record, which can impact an individual's credit as well as ability to gain employment. A levy, or garnishment, can reduce already low wages, leaving an individual with insufficient income for their daily necessities. Withholding a license can prevent many taxpayers from working to earn enough to pay the debt. While resolutions such as pauses to collection, offers-in-compromise (OIC) and sustainable, affordable installment agreements are possible, it is extremely difficult for taxpayers to reach these outcomes without legal representation. Enabling an individual to resolve their tax debt gives them a path forward to sustainable employment and becoming a compliant taxpayer.

If passed, SB0676 would allow more low-income taxpayers with Maryland tax issues to seek and receive this much needed assistance. Here are two examples of taxpayers who would not have been able to resolve their tax problems on their own.

1. Kevin had a long history of drug and alcohol abuse. Having graduated from a residential rehab program, Kevin was ready to move forward with his life with school and a new job. However, Kevin owed an outstanding tax balance to Maryland and there was a hold on his license, preventing him from obtaining his Commercial Driver's License (CDL). A MVLS volunteer helped Kevin obtain a Hardship Liability Waiver, allowing him to obtain his CDL. Kevin is now a licensed CDL driver, and is moving towards a sustainable payment plan with the State.
2. Cecilia and Bob were married for over 15 years when she discovered that he had accrued a large tax debt, partly from his business, and had involved her without her knowledge. Cecilia filed for bankruptcy and was released from the federal tax lien of \$126,643. However, her Maryland tax debt of \$16,139 was not discharged. A MVLS volunteer stepped in to assist Cecilia, by filing an appeal with Maryland to rescind the 2012 assessment, with over-payments of \$4,713.75 credited to Cecilia's account. The volunteer then worked with Cecilia to do an OIC to settle the rest of her liabilities.

MVLS has been fighting to even the playing field for low-income Marylanders for decades, and we know that the need for representation is pressing. Legislation like SB0676 would ensure that MVLS and other LITCs can continue to provide that representation to Marylanders who need it.

Chairman Guzzone and members of the Committee, thank you again for the opportunity to testify.