

2024 Testimony for HB 608 Earned Income Tax Credit—Individuals Without Qualifying Children—Eligibility

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Support
Maryland Poor People’s Campaign

I am Susan Allen, a member of the Maryland Poor People’s Campaign.

I live at 3463 Rockway Avenue, Annapolis, MD 21403.

I urge you to pass HB 608 because (1) many single working Marylanders need this expanded/improved Earned Income Tax Credit (EITC) to lift them out of poverty; and (2) this bill rectifies some tax discrimination.

Low-paid single working Marylanders have suffered because they **lost vital EITC tax benefits since the American Rescue Plan ended for them after 2021.**

Overall, our tax codes discriminate against low-paid workers who are not raising children.

This includes many of my nieces and nephews who work in construction.

Here’s a quote from the Center on Budget and Policy Priorities (CBPP): **Low-paid workers not raising children are the sole group the federal tax system taxes into or deeper into poverty, mainly because their EITC is so low.**

Forgive me if I’ve gotten the complex benefit changes in HB 608 wrong, but here’s why I support it.

1. To make EITC effective in helping low-wealth single Marylanders, HB 608 raises the phase out amount to \$19, 160. That’s about \$3000 more than the Federal parameters. The tax credit ends at \$24, 210. And this applies to a married couple filing jointly with no children. This represents an effective raise in phase-out.

2. Without this bill, an eligible single working Marylander would receive a \$200 average Federal benefit in the EITC. With HB 608, that same Marylander could receive up to \$530 in a taxable year.

3. Most importantly, HB 608 has a cost-of-living adjustment. This increase is essential to the anti-poverty provisions of this bill.

The EITC is proven to raise low-wealth people out of poverty.

HB 608 will work. (<https://www.cbpp.org/research/policy-basics-the-earned-income-tax-credit>)

To improve HB 608, I recommend that the bill increase the phase-in rate and the phase-in end to amounts that more closely match married couples with one child. Housing costs and other

essential expenses are very high in Maryland and low-earning couples with no children need the tax help.