



HB 608 - Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility
Ways and Means Committee
February 8, 2024
SUPPORT

Chair Atterbeary, Vice-Chair Wilkins and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 608. HB 608 expands access to the Earned Income Tax Credit (EITC) by increasing the maximum income requirement and connect it with the state's cost of living adjustments each year.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Maryland is one of the 31 states that values their hard-working, low-income citizens by offering a state version of the EITC. This credit is one of the most powerful anti-poverty tools utilized by federal, state, and local governments. **Right now, many young workers are not eligible to receive the EITC or receive a very small credit, which means they are taxed further into poverty.**

Adjusted Gross Income	Amount Owed on State Taxes
\$27,000	\$1,638
\$17,000	\$781

The proposed adjustments increase the maximum income for the state EITC to \$27,000 and will adjust to the cost of living each year, which would increase economic security for 100,000 of the lowest-paid Marylanders. HB 608 is an opportunity to help low-income single filers that do not claim dependents lessen the amount of taxes owed.

Currently, Marylanders who are working full-time minimum wage jobs earn too much to qualify for the EITC, even though their salary is less than the amount needed to cover basic expenses. Low-income workers, even when working 40 hours a week, are left in vulnerable positions; therefore, they are more likely to experience financial hardship. Maryland has the opportunity to invest in Marylanders who need it most. The passage of HB 608 would reduce taxes for a large majority of low-income workers, putting them on a path to long-term financial stability.

Thus, we encourage you to return a favorable report for HB 608.

Creating Assets, Savings and Hope