



TESTIMONY IN SUPPORT OF HB 608

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

Submitted by Kali Schumitz and Mark Huffman, Co-Chairs

Member Agencies:

211 Maryland

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services, Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

Kali Schumitz, Co-Chair

P: 410-412- 9105 ext 701

E: kschumitz@mdeconomy.org

Mark Huffman, Co-Chair

P: (301) 776-0442 x1033

E: MHuffman@laureladvocacy.org

Marylanders Against Poverty (MAP) strongly supports HB 608, which expands Maryland's Earned Income Tax Credit (EITC) income eligibility threshold to \$27,000 for single filers unable to claim dependents.

The Earned Income Tax Credit is a critical anti-poverty tool. The EITC helps low-wage workers in Maryland by reducing their tax burden, creating additional economic security for themselves, and strengthening low-income workers connections to the workforce. The EITC helps people make ends meet and continue working despite low wages. Reliable transportation promotes job retention. EITC refunds are used for the costly maintenance of having access to a private vehicle, which in many parts of the state is necessary for commuting. Refunds are used for car insurance payments, car maintenance, car payments, gas, and vehicle registration fees. Expanding access to the EITC will help remove some barriers that low-income workers face.

The current structure of Maryland's EITC benefits families but is not accessible for many single filers not claiming dependents. Single filers not claiming dependents are a diverse group of individuals. They can be youth aging out foster care, young veterans, people transitioning out of homelessness, noncustodial parents, single men struggling to remain engaged in the workforce, and simply single people that are struggling to provide for themselves. These single filers are getting taxed into poverty¹. HB 608 addresses this issue by increasing the income threshold for eligibility to \$27,000 for single filers.

HB 608 would generate a refund for individuals working and living in poverty, bolstering the local economy. Currently, a full-time minimum wage worker without dependents earns "too much" to claim ANY state EITC. Under HB 608, workers who are close to full-time minimum wage could qualify for the EITC, which would not only offset their tax burden, but could help them receive a possible tax refund. Studies show that this refund is likely to be spent in the local economy to purchase necessities, pay off bills, and contribute to savings.

MAP appreciates your consideration and urges the committee to issue a favorable report for HB 608.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.