



**Testimony in Support of House Bill HB 451
Tax Assistance for Low-Income Marylanders – Funding**

**House Ways and Means Committee
February 8, 2024**

Maryland Rise strongly supports HB 451, which increases the annual appropriation for Low-Income Tax Clinics, increases the annual appropriation to the Maryland CASH Campaign, and creates a grant program for mobile tax clinics that will serve targeted populations who are traditionally under-resourced.

HB 451 strengthens Maryland’s free tax preparation infrastructure, which helps low-income families receive the tax credits they are eligible for. The federal and state Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are some of the largest and most successful anti-poverty initiatives, but not all families who are eligible for the credits claim them. Unfortunately, almost one in four eligible households don’t claim the EITC or CTC, meaning these families are missing out on the income boost these programs provide.ⁱ By investing in low-income tax clinics, and organizations like the Maryland CASH Campaign, more Marylanders will have access to the tax filing assistance they need to access all the tax credits they are eligible for.

Investing in low-income tax preparation is an investment in our state’s overall economy. Accessing the EITC and CTC increases the economic security of low-income families, reducing the likelihood that these households will need to access other state-funded safety-net programs. Moreover, research shows that the EITC and CTC boost local economies, as the additional dollars are often spent at neighborhood businesses on basic necessities.ⁱⁱ HB 451 increases access to these important programs through targeted outreach, which is a smart investment of the state’s resources.

Maryland Rise appreciates your consideration and urges the committee to issue a favorable report on HB 451.

Submitted by: Lisa Klengenmaier, Executive Director

Maryland Rise works to promote economic opportunity for all Marylanders.

ⁱ IRS, EITC Participation Rates By State For Tax Years 2013 through 2020, <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states>

ⁱⁱ Center on Budget and Policy Priorities. 2023. Policy Basics: The Earned Income Tax Credit. <https://www.cbpp.org/research/policy-basics-the-earned-income-tax-credit>