



TESTIMONY IN SUPPORT OF SB 295 - WITH AMENDMENTS

Maryland Fair Taxation for Justice-Involved Individuals Act

TO: Members of the Senate Budget and Taxation Committee

FROM: **Center for Criminal Justice Reform, University of Baltimore School of Law**

DATE: January 20, 2025

The University of Baltimore School of Law Center for Criminal Justice Reform supports community driven efforts to improve public safety and address harm and inequity caused by the criminal legal system. In alignment with this mission, we offer our support of SB 295, with amendments.

It is well documented that formerly incarcerated people face numerous collateral consequences, including significant obstacles to securing and keeping stable housing and employment. These barriers to financial opportunity and stability can have devastating consequences when combined with navigating the tax system, especially when involving compounding bills and penalties that an individual may not even know they have. Furthermore, longstanding systemic inefficiencies and communication practices which fail to meet directly impacted Marylanders where they are or disseminate information in clear and effective ways, can exacerbate administrative burdens on the state while exacerbating challenges for individuals and families with no current ability to pay.

The Maryland Fair Taxation for Justice-Involved Individuals Act holds tremendous potential for addressing these current challenges and setting individuals reentering their communities up for greater success, creating much needed improvements in the process for the Comptroller's Office, partnering state agencies, and directly impacted communities alike. By seeking to better support and educate currently and formerly incarcerated individuals surrounding their tax obligations, waiving certain interest and penalties during incarceration for program participants, and allowing payment plans to help rebuild financial stability, this important legislation fills a much needed gap in the state's broader efforts to reduce recidivism and promote economic stability for all Marylanders, including some of our most vulnerable and marginalized community members.

Currently, however, the bill raises questions and concerns as written, including eligibility limitations that may impede its ability to positively impact portions of the justice-involved population who may need and seek to benefit from this type of program the most. Due to short



notice of the hearing and testimony deadline, we are not currently in a position to document these considerations in full. In the interim however, we wanted to go on record with strong support and gratitude to Senator McCray, Comptroller Lierman and her team, and the justice-involved leaders who are championing this important effort, and to offer our continued collaboration from the University of Baltimore School of Law in further discussions aiming to clarify certain provisions of the program and overall strengthen the bill.

We have engaged members of the faculty who bring both academic expertise in tax law as well as invaluable practice insights from the law school's Low-Income Taxpayer Clinic to help support collective efforts to address the limited eligibility and additional concerns raised by PREPARE and other advocates. We welcome further opportunities to support the Comptroller's Office, this body, and the many others working to create and implement this important program.