

# MARYLAND ALLIANCE FOR JUSTICE REFORM

Working to end unnecessary incarceration and build strong, safe communities



**January 22, 2025**  
**Senate Budget and Taxation Committee**

**Testimony in Support of SB 295 – Income Tax-Income Reconciliation Program – Established (Maryland Fair Taxation for Justice-Involved Individuals Act)**

**Submitted by Olinda Moyd, Esq.**  
**Maryland Alliance for Justice Reform**

The Maryland Alliance for Justice Reform seeks a favorable recommendation on SB 295.

In FY 2024 it was projected that 1,365 individuals were scheduled to return to the community from our State Department of Corrections custody, according to statistics provided by the Maryland Department of Public Safety and Correctional Services. [DPSCS Community Releases](#). Maryland releases thousands of individuals each year and they struggle with reintegration process of establishing a residence, finding a job and creating a way to become economically self-sufficient. Having the burden of a tax bill further adds to the weight that one must carry with them when they walk out of prison with a conviction.

When individuals exit the doors of a Maryland jail or prison they are immediately burdened with the weight of being marked with the scarlet letter C and labeled a convict. The collateral consequences of carrying this label can, at times, be burdensome and overwhelming.

Collateral consequences of incarceration are legal limitations imposed by a law as a result of a criminal conviction, regardless of how long or short a sentence the person has served in custody. These consequences create social and economic barriers for individuals reentering society by denying or restricting benefits otherwise available to others. Such consequences can include denial of public benefits; ineligibility for employment, licenses, and permits; loss of professional license; loss of ability to obtain specialty vehicle licensing and loss of ability to legally possess a firearm. The weight of paying income tax interests and penalties that have accrued should not be added to this already burdensome laundry list.

We support this legislation because it establishes the Income Tax Reconciliation Program in the State to allow justice-involved individuals to establish a payment plan and receive a waiver of any interest and penalties that accrue for unpaid income tax for taxable years while they were incarcerated. An installment plan allows individuals to avoid garnishment of wages once they have jumped through the many hurdles required to land stable employment. The bill also requires the Comptroller to administer the program and waive interest and penalties for participants, who can now eventually see a light at the end of the tunnel instead of living with perpetual financial burdens. Most importantly, the bill requires that the Department of Public Safety and Correctional Services and the Comptroller work collaboratively to develop an awareness campaign to inform the public and impacted individuals about the program. This is a critical component of the legislation because far too often marginalized communities (especially those who are cut off from society) are the last to learn about beneficial government enacted programs.

So that individuals are aware of the program on the front-end of their sentencing, the bill also requires that when an individual is convicted or enters a guilty plea, that the court MUST inform them about the income tax reconciliation program. This brief notification by the court will go a long way to ensuring that individuals avoid unfair taxation burdens.

We believe that this proposed legislation is thorough and detailed and promotes successful reentry as individuals return to our communities throughout the State of Maryland. We, therefore, urge a favorable report.

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