

ReentryAdvisor, LLC

Senator Guy Guzzone
Budget and Taxation Committee
Maryland Senate
Annapolis, MD 21401

Re: Support for Senate Bill 295 – Fair Taxation for Justice-Involved Individuals Act

Dear Chairman Guzzone and Committee Members,

As a concerned citizen and the former Associate Director of a subsidized work reentry program, I am writing to express my strong support for Senate Bill 295, the **Fair Taxation for Justice-Involved Individuals Act**. This bill addresses a significant barrier to successful reentry by creating an income tax reconciliation program, allowing justice-involved individuals to establish payment plans for unpaid income taxes and receive waivers for interest and penalties accrued during incarceration.

The Problem

During my tenure overseeing a reentry program, I witnessed firsthand the immense financial challenges faced by returning citizens. When we issued paychecks to individuals rebuilding their lives, many saw their earnings garnished for back taxes (penalties and interest continued accruing during their incarceration). Garnishment and the extremely large debt left them unable to cover basic necessities like rent, furniture, childcare, clothing, groceries, prescriptions, child support, and medical copays. To prevent eviction or food insecurity, we had to supplement their incomes with additional financial resources. These individuals were effectively starting in the red before their employment journeys after incarceration could even begin.

One participant shared:

"I finally got a job and thought I could start fresh, but most of my paycheck was taken to pay back taxes. I couldn't even afford rent. I felt like I was being punished all over again."

In FY 2024, **1,365 individuals** were projected to return to the community from Maryland's correctional facilities, according to the Department of Public Safety and Correctional Services (DPSCS). Thousands more reenter society annually, and many face compounded challenges, including securing employment, finding stable housing, and achieving financial stability. Adding the burden of tax penalties to these hurdles perpetuates cycles of poverty and recidivism.

The Solution

Senate Bill 295 provides a compassionate and effective solution by:

1. Offering structured payment plans for unpaid taxes.
2. Waiving punitive interest and penalties accrued during incarceration, a time when individuals have limited or no income.
3. Mandating public awareness campaigns to ensure eligible individuals know their rights and options.
4. Requiring courts to notify individuals about the program during sentencing, ensuring awareness from the outset.

This initiative recognizes that justice-involved individuals deserve an opportunity to rebuild their lives without the crushing weight of compounded financial penalties. By addressing this barrier, Maryland can promote economic stability and reduce recidivism.

Why It Matters

Similar programs have demonstrated success elsewhere. For example, California's income tax relief initiative for justice-involved individuals helped over 5,000 participants within two years, leading to a **30% reduction in recidivism rates**. These outcomes highlight the transformative potential of alleviating financial burdens on returning citizens.

Waiving penalties and interest is not about avoiding responsibility but about creating a fair path forward. During incarceration, individuals lack the ability to earn income or pay taxes, making these penalties inherently unjust. Providing relief allows individuals to focus on securing housing, stable employment, and meeting their families' needs.

Another program participant reflected:

"If I didn't have to pay those penalties, I could've afforded childcare and worked more hours. Instead, I was stuck in a cycle of barely getting by."

Conclusion

Senate Bill 295 is a vital step toward ensuring that justice-involved individuals have a fair chance to succeed upon reentry. By addressing the financial inequities created during incarceration, Maryland can lead the way in promoting justice, equity, and economic stability.

I urge the Committee to issue a favorable report on SB 295. Let us remove the unnecessary barriers that hinder successful reintegration and allow returning citizens to thrive.

Sincerely,
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