

# **SB 295 Helping Ourselves Transform**

Uploaded by: Carmen Johnson

Position: FAV

# HELPING OURSELVES TO TRANSFORM

EDUCATING AND PROMOTING  
MASS LIBERATION

## Vote Favorable for SB295

Dear Senator Mccray and Delegate Wims, Sponsor(s)

*As a Maryland resident*, I am writing to express strong support for **Senate Bill 0295**, also known as the **Maryland Fair Taxation for Justice-Involved Individuals Act**, on behalf of Helping Ourselves to Transform. This vital legislation addresses a critical gap in the reentry process for justice-impacted individuals in Maryland.

In 2022, Maryland's 24 counties housed 15,637 justice-involved individuals across 24 jails, according to the National Institution of Corrections. A significant percentage of these individuals will return to their communities with unresolved tax obligations, often accompanied by penalties and interest accrued during their incarceration. Without guidance or resources to navigate the tax reconciliation process, these returning citizens face unnecessary financial and social obstacles that hinder their reintegration.

**Senate Bill 0295** seeks to establish the **Income Tax Reconciliation Program**, which will provide critical support to these individuals by allowing them to address unpaid state income taxes incurred during their incarceration. This program will be a game-changer for rehabilitation, resocialization, and economic reintegration, ensuring that justice-involved individuals have a fair chance to rebuild their lives and contribute to their communities.

Key provisions of **Senate Bill 0295** include:

- **Administration by the Comptroller:** The Comptroller will oversee the program, with the authority to waive interest and penalties on unpaid taxes for eligible individuals.
- **Support for Missed Tax Filing:** The program addresses the unique challenges of individuals who could not file tax returns while incarcerated, allowing them to reconcile their tax obligations post-release.
- **Awareness Campaign:** In collaboration with the Department of Public Safety and Correctional Services, the Office of the Public Defender, Probation and Parole, and community organizations, the program will launch an awareness campaign to inform justice-impacted individuals and the public about the program's benefits.
- **Annual Reporting:** The bill mandates annual reporting to the General Assembly to assess the program's effectiveness.

Eligible individuals will be able to establish installment payment plans for unpaid taxes, with the possibility of waiving penalties and interest. These plans will allow repayment periods of up to 10 years, providing manageable solutions for returning citizens. The program applies to taxable years from 2025 to 2029, and individuals will have up to two years after release from the Department of Public Safety and Correctional Services (DPSCS) or the Bureau of Prisons (BOP) to apply.

The **Maryland Fair Taxation for Justice-Involved Individuals Act** represents a compassionate and practical step toward justice and equity for those transitioning back into society. It aligns with our collective mission to create opportunities for all Maryland residents, especially those who have faced systemic barriers.

On behalf of Myself and Helping Ourselves to Transform, we ask that this bill be voted FAVORABLE and ensure its swift passage. This bill is about giving justice-impacted individuals a fair chance to thrive and contribute to the economic and social fabric of Maryland.

Thank you for your attention to this critical matter. Please feel free to contact me directly if you have any questions or require additional information.

Sincerely,

***Dr. Carmen Johnson***

**202-674-6300**

**Founder,**

# **Written Testimony (Support Senate Bill 295- Fair T**

Uploaded by: Crystal Francis

Position: FAV

# 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,  
Crystal Francis, Ph.D.  
Principal, ReentryAdvisor, LLC  
[admin@reentryadvisor.com](mailto:admin@reentryadvisor.com)

**ACLU in Support for SB295 Tax Bill.docx.pdf**

Uploaded by: DaMarqus Moore

Position: FAV



January 16, 2025

*Sponsor: Senator Cory McCray*

*Sponsor: Delegate Gary Wims*



### *Supports*

*Maryland Fair Taxation for Justice-Involved Individuals Act SB0295 and waiting on the cross filing bill number on the House side.*

We, the undersigned organizations, write in support of Senate Bill 0295. In 2022, Maryland was responsible for 24 jails in 24 counties, housing 15,637 justice-involved individuals according to the National Institution of Corrections. A large percentage of these individuals will or are returning citizens with a tax bill awaiting their arrival and no idea how or where to start the reconciliation process. For one to positively contribute to the economic growth of the United States post confinement, they must be afforded the opportunity to rehabilitate and resocialize—one way to support this transition is through the understanding of taxation in Maryland.

Senate Bill 0295, also known as the Maryland Fair Taxation for Justice-Involved Individuals Act, aims to establish the Income Tax Reconciliation Program.

This program is intended to assist justice-involved individuals—those who have been convicted of a crime and served a prison sentence of 6 months to 10 years—by allowing them to set up installment payment plans for any unpaid state income tax from their years of incarceration.

Key provisions include:

- The Comptroller will administer the program and has the authority to waive interest and penalties on unpaid taxes for eligible individuals.
- The program targets those who cannot file tax returns while incarcerated, enabling them to address their tax obligations post-release.
- An awareness campaign will be developed in partnership with the Department of Public Safety and Correctional Services, the Office of the Public Defender, Probation and Parole, and community organizations supporting justice-impacted individuals. This campaign will aim to inform both the public and affected individuals about the program.





- The bill requires annual reporting to the General Assembly on the program's impact.

Justice-impacted individuals with unique circumstances can seek assistance from the Comptroller's Office to waive penalties for unfiled taxes incurred during their involvement with the justice system. This program offers individuals the opportunity to address missed tax obligations, establish installment payment plans, and obtain waivers for penalties on unfiled or unpaid taxes from that period. These payment plans may include a repayment period of up to 10 years.

Upon release from the Department of Public Safety and Correctional Services (DPSCS) or the Bureau of Prisons (BOP), individuals will have up to two years to apply for this program. The initiative is designed to cover taxable years from 2025 to 2029.

*As advocates for returning citizens, it is our responsibility to ensure their proper reintegration into our communities, particularly in addressing the challenges posed by Maryland's taxation system.*

**ACLU**  
Maryland

**SB295 support letter from Carmen and HOTT.pdf**

Uploaded by: Larry Stafford

Position: FAV

# HELPING OURSELVES TO TRANSFORM

EDUCATING AND PROMOTING  
MASS LIBERATION

## Vote Favorable for SB295

Dear Senator Mccray and Delegate Wims, Sponsor(s)

*As a Maryland resident*, I am writing to express strong support for **Senate Bill 0295**, also known as the **Maryland Fair Taxation for Justice-Involved Individuals Act**, on behalf of Helping Ourselves to Transform. This vital legislation addresses a critical gap in the reentry process for justice-impacted individuals in Maryland.

In 2022, Maryland's 24 counties housed 15,637 justice-involved individuals across 24 jails, according to the National Institution of Corrections. A significant percentage of these individuals will return to their communities with unresolved tax obligations, often accompanied by penalties and interest accrued during their incarceration. Without guidance or resources to navigate the tax reconciliation process, these returning citizens face unnecessary financial and social obstacles that hinder their reintegration.

**Senate Bill 0295** seeks to establish the **Income Tax Reconciliation Program**, which will provide critical support to these individuals by allowing them to address unpaid state income taxes incurred during their incarceration. This program will be a game-changer for rehabilitation, resocialization, and economic reintegration, ensuring that justice-involved individuals have a fair chance to rebuild their lives and contribute to their communities.

Key provisions of **Senate Bill 0295** include:

- **Administration by the Comptroller:** The Comptroller will oversee the program, with the authority to waive interest and penalties on unpaid taxes for eligible individuals.
- **Support for Missed Tax Filing:** The program addresses the unique challenges of individuals who could not file tax returns while incarcerated, allowing them to reconcile their tax obligations post-release.
- **Awareness Campaign:** In collaboration with the Department of Public Safety and Correctional Services, the Office of the Public Defender, Probation and Parole, and community organizations, the program will launch an awareness campaign to inform justice-impacted individuals and the public about the program's benefits.
- **Annual Reporting:** The bill mandates annual reporting to the General Assembly to assess the program's effectiveness.

Eligible individuals will be able to establish installment payment plans for unpaid taxes, with the possibility of waiving penalties and interest. These plans will allow repayment periods of up to 10 years, providing manageable solutions for returning citizens. The program applies to taxable years from 2025 to 2029, and individuals will have up to two years after release from the Department of Public Safety and Correctional Services (DPSCS) or the Bureau of Prisons (BOP) to apply.

The **Maryland Fair Taxation for Justice-Involved Individuals Act** represents a compassionate and practical step toward justice and equity for those transitioning back into society. It aligns with our collective mission to create opportunities for all Maryland residents, especially those who have faced systemic barriers.

On behalf of Myself and Helping Ourselves to Transform, we ask that this bill be voted FAVORABLE and ensure its swift passage. This bill is about giving justice-impacted individuals a fair chance to thrive and contribute to the economic and social fabric of Maryland.

Thank you for your attention to this critical matter. Please feel free to contact me directly if you have any questions or require additional information.

Sincerely,

***Dr. Carmen Johnson***

**202-674-6300**

**Founder,**

# **SB 295 - Income Tax - Income Tax Reconciliation Pr**

Uploaded by: Mark Woodard

Position: FAV



*Advocating better skills, jobs, and incomes*

**Testimony for Senate Bill 295**

**SB 295 - Income Tax - Income Tax Reconciliation Program - Established (Maryland Fair Taxation for Justice-Involved Individuals Act)**

TO: Hon. Guy Guzzone, Chair, and Members of the Senate Budget and Taxation Committee

FROM: Job Opportunities Task Force

DATE: January 22, 2024

POSITION: Support

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF supports Senate Bill 295, establishes the Income Tax Reconciliation Program to address the unique challenges formerly incarcerated individuals face in meeting their tax obligations.**

Returning citizens often return to society facing considerable barriers to economic recovery. Many struggle to secure housing, employment, and financial stability, compounded by unresolved tax debts accrued during incarceration. By enabling installment payment plans and waiving interest and penalties for unpaid income taxes, Senate Bill 295 ensures these individuals are given a fair opportunity to resolve their tax obligations without undue financial hardship.

This legislation aligns with JOTF's mission of reducing barriers to low-income individuals, and especially vulnerable populations like formerly incarcerated individuals. Most returning citizens are low-income and often lack the resources to navigate complex tax requirements. By waiving penalties and interest, the program removes a significant barrier to financial recovery, empowering participants to rebuild their lives and contribute to the state economy. These measures not only promote compliance but also increase the likelihood of recovering outstanding tax revenue in a manner that does not exacerbate economic disparities.

Senate Bill 295 represents a critical step toward creating a tax system that works for all Marylanders, including those seeking a second chance. By supporting this legislation, Maryland can lead by example in advancing policies that promote equity, economic stability, and social justice.

**For these reasons, JOTF supports Senate Bill 295 and urges a favorable report.**

**For more information, contact:**

Mark Woodard /Public Policy Advocate / [Mark@jotf.org](mailto:Mark@jotf.org)

**SB\_2951\_2025 - LOS.pdf**

Uploaded by: Matthew Dudzic

Position: FAV

**Letter of Support****Senate Bill 295 – Income Tax – Income Tax Reconciliation Program – Establishment**  
Budget and Taxation Committee  
January 22, 2025

I thank Senator Cory McCray for introducing Senate Bill 295, the Maryland Fair Taxation for Justice-Involved Individuals Act, and I applaud the Senator for his continued commitment to economic and social justice.

As Maryland's chief financial officer, I am writing to express support for SB295, which will create a structured tax resolution program for returning citizens. In my role overseeing Maryland's tax administration and revenue collection, I have witnessed firsthand how unmanageable tax obligations can create barriers for those who have paid their debt to society and are working to rebuild their lives. This is not just a matter of fiscal policy – it's a moral issue. Our duty as public servants extend beyond just collecting revenue – we must ensure our tax system promotes, rather than prevents, economic opportunity for all Marylanders who seek to contribute to our state's prosperity.

My office currently administers several similar initiatives, including the Offer-in-Compromise and Low Income Hardship Programs. These programs provide flexible payment options and potential relief from penalties and interest for eligible taxpayers. Additionally, our Office of Public Engagement and the newly established Office of the Taxpayer Advocate will play key roles in helping justice-involved individuals access these vital programs. They will provide guidance to help individuals understand their options and navigate potential resolutions effectively.

The proposed legislation signifies a crucial investment in the economic future of Maryland, especially for communities of color that continue to be disproportionately impacted by incarceration. Individuals who have completed their sentences must not be weighed down by ever expanding tax debts that impede their journey toward rebuilding their lives. By empowering returning citizens to engage actively in society, we foster financial stability for families, stimulate local businesses through increased consumer spending, and catalyze economic revitalization in underserved neighborhoods. This approach benefits individual lives and strengthens the overall community, paving the way for a more equitable and prosperous future for all.

If you have any questions, please contact Stephen Harrington, Director of Government Affairs, at [SHarrington@marylandtaxes.gov](mailto:SHarrington@marylandtaxes.gov).



Brooke E. Lierman  
Comptroller of Maryland





**SB 295 Written Testimony - O. Moyd.pdf**

Uploaded by: Olinda Moyd, Esquire

Position: FAV

# 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.

Olinda Moyd  
Maryland Alliance for Justice Reform  
[moydlaw@yahoo.com](mailto:moydlaw@yahoo.com)

# **SB 295 Income Tax - Income Tax Reconciliation Prog**

Uploaded by: tamika winkler

Position: FAV

CORY V. MCCRAY  
Legislative District 45  
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

*Subcommittees*

Chair, Health and Human Services

Vice Chair, Capital Budget

Executive Nominations Committee

Legislative Policy Committee

Joint Committee on Gaming Oversight



James Senate Office Building  
11 Bladen Street, Room 221  
Annapolis, Maryland 21401  
410-841-3165 · 301-858-3165  
800-492-7122 Ext. 3165  
Cory.McCray@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

## Vote Yes on SB 295

**Bill Title:** Income Tax - Income Tax Reconciliation Program - Established (Maryland Fair Taxation for Justice-Involved Individuals Act)

**Committee:** Budget and Taxation Committee

**Hearing Date:** January 22, 2025

Dear Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee:

My name is Cory McCray for the record. I request a favorable vote for Senate Bill 295, titled the "Maryland Fair Taxation for Justice-Involved Individuals Act," seeks to establish the Income Tax Reconciliation Program in Maryland. This program is designed to assist individuals who have been incarcerated for at least six months but not more than ten years and are currently serving or have been released within the preceding two years. These individuals, referred to as "justice-involved individuals," often face challenges in filing state income tax returns during their incarceration.

- **Eligibility and Participation:** Justice-involved individuals who have unpaid income tax for taxable years during their incarceration can apply to the Comptroller for an installment payment plan. If approved, they can pay the unpaid taxes over a period not exceeding ten years. Additionally, the Comptroller will waive any interest and penalties that have accrued on the unpaid taxes.
- **Program Administration:** The Comptroller is responsible for administering the program and, in collaboration with the Department of Public Safety and Correctional Services, will develop an awareness campaign to inform the public and eligible individuals about the program.
- **Regulatory Framework:** The Comptroller is authorized to adopt regulations to implement the program, which may include income limitations to establish eligibility.

The primary goal of this bill is to provide a structured pathway for justice-involved individuals to address unpaid income taxes incurred during their incarceration. By offering installment payment plans and waiving interest and penalties, the program aims to reduce financial burdens and promote financial stability for these individuals, facilitating their reintegration into society.

Continued Blessings,

A handwritten signature in blue ink, appearing to read "Cory V. McCray". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Cory V. McCray  
45<sup>th</sup> District

# **SB 295 - Income Tax - Income Tax Reconciliation Pr**

Uploaded by: Tonaeya Moore

Position: FAV



**SB 295 - Income Tax - Income Tax Reconciliation Program - Established (Maryland Fair Taxation for Justice-Involved Individuals Act)**  
**Senate Budget and Taxation Committee**  
**January 22, 2025**  
**SUPPORT**

Chair Guzzone, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 295. This bill establishes the Income Tax Reconciliation Program to address the unique challenges justice-involved individuals face in meeting their tax obligations.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Justice-involved individuals often return to society facing considerable barriers to economic recovery. Many struggle to secure housing, employment, and financial stability, compounded by unresolved tax debts accrued during incarceration. By enabling installment payment plans and waiving interest and penalties for unpaid income taxes, Senate Bill 295 ensures these individuals are given a fair opportunity to resolve their tax obligations without undue financial hardship.

This legislation aligns with Maryland's commitment to fostering equity and economic opportunity. The proposed program recognizes that justice-involved individuals are disproportionately low-income and often lack the resources to navigate complex tax requirements. By waiving penalties and interest, the program removes a significant barrier to financial recovery, empowering participants to rebuild their lives and contribute to the state economy. These measures not only promote compliance but also increase the likelihood of recovering outstanding tax revenue in a manner that does not exacerbate economic disparities.

Senate Bill 295 represents a critical step toward creating a tax system that works for all Marylanders, including those seeking a second chance. By supporting this legislation, Maryland can lead by example in advancing policies that promote equity, economic stability, and social justice.

***Thus, we encourage you to return a favorable report for SB 295.***

*Creating Assets, Savings and Hope*



**SB0295 - Fair Taxation - Support w\_ Amendment .doc**

Uploaded by: Anne Kirsch

Position: FWA



**PREPARE**  
PREpare for PARole and REentry

Anne Bocchini Pack  
Director of Advocacy, PREPARE

anne@prepare-parole.org  
(410) 994-6136

**SB0295 - Maryland Fair Taxation for Justice-Involved Individuals Act - SUPPORT WITH AMENDMENT**

As the formerly incarcerated co-founder of PREPARE, I was directly impacted by tax debt during my reentry. I will not fully narrate my experience, but I will summarize that I was never contacted by the Comptroller's Office during my incarceration, though fees and interest continued accruing on a debt I didn't know I had as I earned about \$60/month for full time work. I discovered the problem when I was released and the Comptroller's Office took all the money I'd saved for my reentry, leaving me financially dependent on my parents. Had it not been for them, I am not sure what I would have done to survive. Although my case is now paid and closed, I continue to be unable to register a vehicle due to administrative errors. I am grateful for the continuing support of my family for transportation. **This legislation is desperately needed and I urge you to work toward an effective solution this session.**

At this time, the language of this bill would not provide relief to me or anyone else I've met with tax-related reentry problems due to a web of overlapping exclusions. We continue to communicate with the Comptroller's Office, and I have hope that we will overcome the issues, including:

1. Limitation of the statute to individuals sentenced to 6 months to 10 years. This automatically excludes about 66% of the prison population from relief, although those with longer sentences will have a disproportionately larger harm.
2. Exclusion of Local Detention Centers from the language. All individuals serving a sentence of one year or less are held at LDCs (meaning nobody with a sentence of 6-12 months is actually eligible because they are later excluded). Individuals serving a sentence of a year and a day up to 3 years (two 18 month consecutive sentences) can also be held at LDCs on a judge's order and these individuals are also excluded.
3. Limitation to relief for a year in which the individual is incarcerated. It is incredibly rare for an individual to owe taxes for the year they are incarcerated. Tax returns are not even filed until April 15th of the following year, and the Notice of Income Tax Assessment could take years. Individuals usually owe for the years immediately preceding their incarceration.

**PREPARE**  
**PO Box 9738, Towson, MD 21284**

4. Limitation of this program to individuals who will owe taxes for tax years 2025-2029 means that today's Returning Citizens will not receive relief at all. Even in the unlikely scenario where someone meets all the other criteria and qualifies, they would likely be rejoining the community in the 2030's, when our current Governor (assuming reelection) is no longer in office due to term limits. Creating the policy for a program today, but kicking the implementation to the next Administration is unique and problematic.
5. Unclear statutory language around clocks, income limits, application windows, eligibility and approval. As a non-attorney advocate, it is difficult to understand, much less articulate, these issues. However, with the support of University of Baltimore Law faculty we can navigate some of these questions to make sure the policy-implementation gap is properly bridged, and I hope to be better educated through the process.

# **CCJR Fav with Amendments SB 295 Fair Taxation for**

Uploaded by: Heather Warnken

Position: FWA



**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.