



**Montgomery County Community Action Board Testimony**  
**HB1014: Fair Share for Maryland Act of 2025**  
**February 20, 2025**  
**SUPPORT**

TO: The Honorable Vanessa Atterbeary, Chair; The Honorable Jheanelle Wilkins, Vice Chair; and Members of the Ways and Means Committee

FROM: Dr. Jeffery Johnson, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board, the County's local, state, and federally designated anti-poverty group, supports HB1014. In addition to raising significant new revenue to support essential public services, this bill improves economic security for working families by strengthening Maryland's Child Tax Credit (CTC) and Earned Income Tax Credit (EITC).

Our board continues to advocate for the CTC and EITC because we know that tax credits are some of the best tools available to reduce poverty and help families move towards the Self-Sufficiency Standard. Extensive research also links the CTC and EITC to numerous positive impacts well beyond the financial realm. These include reductions in health disparities<sup>1</sup> and positive impacts on racial equity as research has shown its greater impact on reducing poverty for households of color<sup>2</sup> as well as other minority populations.

This bill is of particular interest to our board because the Montgomery County Community Action Agency oversees the County's Volunteer Income Tax Assistance (VITA) Partnership and operates the County's only year-round free tax preparation VITA site. Last year, the agency's VITA program completed 2,246 tax returns for County households with modest incomes, with a total free tax impact of \$8.6 million. This included \$2,966,728 in Earned Income Tax Credits and the County's Working Families Income Supplement. Expanding the Maryland EITC will help VITA programs across the state ensure that single filers receive more substantial refunds.

Maryland enacted a modest CTC in 2021 then slightly expanded and made it permanent in 2023. However, it still only reaches a small number of families due to the eligibility criteria. The current \$500 credit is available to families that make under \$15,000 and have a child under 6 years old or under 17 years old and has a disability. This legislation was an important step at combating childhood poverty through tax credits; however, it is inadequate in continuing to provide low-income families relief.

HB 1014 will expand the benefits of the CTC to more low- and moderate-income families and children by expanding eligibility requirements and increasing the amount of the credit. It will increase the maximum income eligibility requirements for a full credit to \$65,000 and gradually phase out the credit so households

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<sup>1</sup> [https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC\\_Health\\_Final\\_Draft.pdf](https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC_Health_Final_Draft.pdf) and <http://ftp.iza.org/dp12417.pdf>

<sup>2</sup> <https://www.cbpp.org/research/state-budget-and-tax/state-earned-income-tax-credits-help-build-opportunity-for-people-of-color>

with income up to \$80,000. It will increase the credit to \$750 for children under 6 and add a new \$500 credit for older children.

The bill also would strengthen the Maryland EITC. Thanks to the actions of the General Assembly in recent years, Maryland now has one of the strongest EITCs in the country, reaching more than 400,000 households each year. However, our state EITC continues to leave behind young workers and other vulnerable groups who don't claim dependent children on their taxes but are struggling to get by on very low incomes. HB1014 would expand eligibility for these groups would allow more low-income Marylanders to receive up to \$600 back at tax time, benefiting families and communities across the state.

Expansions of the state EITC are particularly important in Montgomery County, where the County's Working Families Income Supplement (WFIS) matches a portion of the state EITC, which is itself a 100% match of the federal EITC for single filers without dependents. We are very fortunate to be one of just a handful of local jurisdictions that supplements matching funds to the State credit. HB708 would allow more Montgomery County residents, including ITIN filers, to receive larger refunds, helping residents pay for basic necessities like food and housing.

It is important to note that the Maryland CTC and EITC are especially significant in an area like Montgomery County, and so many parts of the state, where the cost of living is so high. The Montgomery County Self-Sufficiency Standard for a single adult is \$47,294, over three times the Federal Poverty Level, and the Standard for a family of four with two adults, one school age child, and one preschooler, is an astounding \$122,943, over four times the Federal Poverty Level.<sup>3</sup> We believe that larger tax refunds would have a significant impact on single filers, helping them move one step closer to the Self-Sufficiency Standard and a few steps above the federal poverty level.

HB 1014 will improve Maryland's current policies by expanding both credits and reaching more Maryland families. The Montgomery County Community Action Board supports HB1014 and asks for the Committee's favorable report.

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<sup>3</sup> [https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023\\_SSS.pdf](https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023_SSS.pdf)