

HB603 - LOS.pdf

Uploaded by: Matthew Dudzic

Position: FAV

Letter of Support

House Bill 603 – Earned Income Tax Credit - Notice of Eligibility – Alteration

Ways and Means

February 6, 2025

The General Assembly has enacted numerous personal income tax credits for the benefit of Maryland taxpayers, and has entrusted the Office of the Comptroller to raise awareness about certain tax credit eligibility. Some of the most impactful tax credits, particularly those aimed at supporting children, families, and seniors, are underutilized. Data indicate that effective outreach and education resources could help to significantly shrink the gap between those eligible for tax credits and those claiming them.

Right now, statute requires our agency to send annual snail-mail information to businesses with employees who may qualify for the Earned Income Tax Credit (EITC). In 2024, our office spent approximately \$145,000 to prepare and mail these letters. These mailers are costly and time-consuming, and we have no evidence that employers give the letter notice we send to their potentially-eligible employees. In addition, our agency now has the ability to send these notices digitally.

What this bill does

This bill enables the Office of the Comptroller to send either paper or digital notices to businesses about eligibility of EITC. It retains the mandate to send notice.

Why this is important

Much of the snail mail that we send to businesses is returned by the Postal Service, unable to be delivered for various reasons, most commonly because of a change of address. Physical mailers also make it difficult for the business owner to distribute information to their employees. On the other hand, employers can forward an email to their entire team very easily.

In 2024 our agency oversaw the release of Maryland Tax Connect for all businesses and we now regularly reach out to Maryland businesses through Maryland Tax Connect. Sending digital notices utilizes the resources our agency already has, will ensure more effective notice, and saves state resources.

I urge a favorable report of House Bill 603, and look forward to working with the General Assembly on this legislation.



Maryland Catholic Conference_FAVHB603_.pdf

Uploaded by: Michelle Zelaya

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

February 6, 2025

HB603

Earned Income Tax Credit - Notice of Eligibility - Alteration
Ways and Means Committee
Position: Favorable

The Maryland Catholic Conference (MCC) offers this testimony in support of **House Bill 603**. The Maryland Catholic Conference (MCC) is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

House Bill 603 modifies the way the Comptroller informs employers about the income eligibility requirements for the Earned Income Tax Credit (EITC). Instead of relying solely on traditional methods, this legislation ensures that notifications are also sent electronically, making the process more efficient and accessible for employers and employees.

Catholic social teaching upholds the dignity of work and the rights of workers, emphasizing the importance of fair wages and economic justice. The EITC is a key policy in supporting low-income workers, helping them achieve financial security and reduce economic inequality. By improving access to this credit, the legislation promotes social justice, ensures that hardworking individuals receive the financial support they are entitled to, and aligns with the Church's call to protect the poor and vulnerable.

By streamlining the notification process, this bill helps ensure that more eligible workers are aware of and can claim the EITC, a crucial tool for reducing poverty and supporting low-income families. Increased awareness can lead to greater financial stability for working families, stimulate local economies, and reduce reliance on public assistance programs. Employers also benefit from a simplified and modernized process for staying informed about tax credit eligibility.

The MCC appreciates your consideration and respectfully urges a favorable report for **House Bill 603**.

HB603_MDSierraClub_fav 06Feb2025.pdf

Uploaded by: Richard Norling

Position: FAV



P.O. Box 278
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Committee: Ways and Means
Testimony on: HB 603 Earned Income Tax Credit – Notice of Eligibility – Alteration
Position: Favorable
Hearing Date: February 6, 2025

The Maryland Chapter of the Sierra Club urges a favorable report on HB 603. The bill allows the Comptroller to send notices about earned income tax credit eligibility to employers by either mail or electronic means. Sending the notices by email will save paper that would enter the waste stream, and also save the expense of printing and postage.

Current law requires the Comptroller to mail annual notices about the maximum income eligibility for the state's earned income tax credit to all employers in the State. The law requires employers to then provide electronic or written notices to employees who may be eligible for the earned income tax credit. Providing the notice to employers by email as this bill allows would make it easier for employers to provide the required notice to their employees since they could simply forward the email to their employees.

When the notices are mailed to the over 190,000 employers in Maryland, thousands of pieces of used paper end up entering the waste stream to be transported and disposed. The mail delivery of those notices to employers also adds to the state's greenhouse gas emissions.

We applaud the Comptroller's Office for their aggressive pursuit of sustainability and efficiency. Two of the ways a state agency can reduce its carbon footprint (the amount of greenhouse gases its operations add to the atmosphere) are to adopt sustainable processes that reduce the use of paper and to reduce vehicular travel. HB 603 will serve both of those goals and save taxpayer expense at the same time.

For those reasons, we urge a favorable report on HB 603.

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