

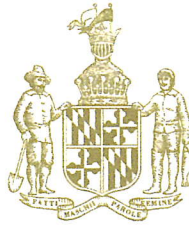
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MAJORITY LEADER

Budget and Taxation Committee

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Education, Business, and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 468 – Income Tax – Local Child Tax Credit - Authorization

February 18, 2026

Mister Chairman and Members of the Budget & Taxation Committee:

In 2021, the General Assembly established the Maryland Child Tax Credit to help low-income families with children. The \$500 tax credit was initially limited to families earning \$6,000 or less and who have a child with a disability; the credit was temporary through tax year 2022. In 2023, the legislature made the credit permanent and expanded eligibility to include families making up to \$15,000 annually and added all children under the age of six years. A second expansion in 2025 allowed families earning up to \$24,000 a year to qualify. This expansion was a crucial step toward reducing child poverty in our state, but the needs of families vary across Maryland. Local governments need to have the flexibility to strengthen support for children in their communities.

This bill authorizes counties and the City of Baltimore to enact their own local Child Tax Credit by mirroring the eligibility requirements of the Maryland Child Tax Credit. Counties would have the flexibility to determine the amount of the credit, while maintaining statewide uniform rules for family income and child age. The bill directs the Comptroller's Office to administer the credit, consistent with existing local income tax credits such as the county Earned Income Tax Credit.

By enabling local governments to enact their own Child Tax Credit, we give counties the ability to respond to the unique needs of their residents. This bill furthers Maryland's commitment to reducing child poverty, supports working parents, and invests in the future of our children.

Childhood poverty remains a pressing challenge in Maryland with the latest data showing that 11 percent of Maryland children living in poverty, leaving one in three children in households struggling to afford food or housing. Child tax credits are a proven tool for reducing poverty and this legislation will allow counties to provide greater security for those families with the most needs, and so I respectfully request a favorable report on Senate Bill 468.