SB 519 - Earned Income Tax Credit - Assistance Program Implementation Delay and Study
Senate Budget and Taxation Committee
February 25, 2026
SUPPORT

Chair Guzzone, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 519. This bill seeks to strengthen Maryland's tax infrastructure while ensuring that implementation is both effective and secure.

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. Last year, around 44% of CASH's tax clients were 60 or older.**

The EITC remains one of the most powerful anti-poverty tools available to low- and moderate-income workers. In 2022, the General Assembly passed HB 252, which established the EITC Assistance Program and directed the Comptroller to identify eligible Marylanders who did not claim the credit and provide a streamlined process to help them do so. Roughly 15% of eligible Marylanders do not claim the credit, leaving millions of dollars unclaimed that could help families afford rent, groceries, utilities, and child care.

Unfortunately, there are now structural barriers that make full implementation challenging. The discontinuation of the federal Direct File system has significantly limited the Comptroller's ability to access the federal data necessary to verify eligibility and prepare prefilled returns. Giving the Comptroller's Office additional time will allow the state to build a stronger, more secure, and more sustainable system.

CASH has partnered with the Department of Service and Civic Innovation and has extensive experience operating Volunteer Income Tax Assistance (VITA) sites across Maryland. Through this work, we help thousands of low-income Marylanders file taxes safely and claim the EITC. CASH stands ready to share our on-the-ground expertise and work alongside state partners to develop recommendations that expand access and increase participation in the EITC.

SB 519 provides a responsible path forward: pause implementation until the necessary infrastructure is in place, rigorously evaluate outreach and system barriers, and strengthen partnerships that expand access to trusted, community-based tax assistance.

Thus, we encourage you to return a favorable report for SB 519.