



SB 377 - Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility

Senate Budget and Taxation Committee

February 4, 2026

FAVORABLE

Chair Guzzone, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 377. SB 377 expands access to the Earned Income Tax Credit (EITC) by increasing the maximum income requirement and connects it with the state's cost of living adjustments each year.

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.**

Making Work Pay: Earned Income Tax Credit

Maryland has a history of valuing its hard-working, low-income workers by offering a state version of the EITC. **This credit is one of the most powerful anti-poverty tools utilized by federal, state, and local governments.** Right now, many low-income workers are not eligible to receive the EITC or receive a very small credit, which means they are taxed further into poverty.

SB 377 increases the maximum income for the state EITC to \$27,000 and will adjust to the cost of living each year, which would increase economic security for ~100,000 of the lowest-paid Marylanders. SB 377 is an opportunity to help low-income single filers who do not claim dependents lessen the amount of taxes owed and even receive a refund.

Currently, Marylanders who are working full-time minimum wage jobs earn too much to qualify for the EITC, even though their salary is less than the amount needed to cover basic expenses. Maryland ranks 5th among the states for the highest cost of living. A single adult without dependents would need to make at least \$40,798 per year in order to pay for basic expenses. Currently, Marylanders who are working full-time minimum wage jobs earn around \$31,200.

At Maryland's current minimum wage of \$15/hr, a single filer would need to work under 25 hours a week to still be eligible for the credit. SB 377 would allow single filers that are working around 34 hours a week to be eligible.

Creating Assets, Savings and Hope

Who are Single Filers Unable to Claim Dependents?

Single filers who are unable to claim dependents are workers who either do not currently have children or they cannot claim their children on their taxes. They include:



First-time expecting mothers



Youth aging out of foster-care



Young veterans



Non-custodial parents



Single men struggling to remain engaged in the
workforce

Low-income workers, even when working 40 hours a week, are often left in vulnerable positions; therefore, they are likely to experience financial hardship. Maryland has the opportunity to invest in Marylanders who need it most. The passage of SB 377 would reduce taxes for low-income workers, putting them on a path to long-term financial stability.

For these reasons, CASH and the undersigned organizations encourages a favorable report on SB 377.

Organizations

Advance Maryland
Allegany County Human Resources Development Commission (HRDC)
Baltimore Jewish Council
Center for Urban Families
Fair Share Maryland
Laurel Advocacy & Referral Services
Maryland Center on Economic Policy
Maryland Food Bank
Maryland Hunger Solutions
Maryland Nonprofits
Rural Maryland Council
Tax Credits for Maryland Families
Wilmax Advisory