

SB 468 tax credit feb 18 2026 MSCCA B and T pdf.pdf

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Position: FAV



**Caring For Maryland's Most
Important Natural Resource™**

Maryland State Child Care Association

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The Maryland State Child Care Association (MSCCA) is a non-profit, statewide, professional association incorporated in 1984 to promote the growth and development of child care and learning centers in Maryland. MSCCA has over 5500 members working in the field of child care/early childhood education. We believe children are our most important natural resource and work hard to advocate for children, families and for professionalism within the early childhood community.

Testimony: SB 468: Income Tax- Local Child Tax Credit- Authorization

Submitted to: Budget and Taxation

February 18, 2026

Maryland State Child Care Association enthusiastically supports SB 468 as MSCCA believes tax credits play a role in helping families maintain economic stability.

Enabling a local Child Tax Credit is an effective strategy to reduce child poverty and contribute to alleviating financial stress for families.

These credits directly increase disposable income for essentials like food, rent, and childcare, supporting workforce participation and long-term child development.

There are numerous benefits to a local Child Tax Credit including lifting families out of poverty. The credits act as a safety net for eligible families, helping to reduce some cost of living, the credits enable parents to afford things like child care and remain in the workforce.

Unlike programs with specific restrictions, tax credits offer flexibility, allowing families to use funds for their most urgent needs, such as diapers, utilities, or rent.

Increased economic security via tax credits is linked to better health, education, and long-term development for children.

Passing SB 468 to enable child tax credit in combination with state or federal programs, provides a targeted approach to tackling the specific economic, child care, and cost-of-living challenges within a community.

MSCCA requests a favorable report.

SEIU Local 500 - Testimony in Support of SB 468 20

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Position: FAV



Testimony - SB 468, Income Tax - Local Child Tax Credit - Authorization
Favorable
Senate Budget & Taxation Committee
February 18, 2026
Christopher C. Cano, MPA
Director of Political & Legislative Affairs on Behalf of SEIU Local 500

Honorable Chairman Guzzone & Members of the Senate Budget & Taxation Committee:

SEIU Local 500 represents thousands of public service workers across Maryland—educators, school support staff, higher education employees, and public sector professionals. Many of our members are working parents. They are the backbone of our communities, and they are doing everything right—working hard, raising children, and contributing to our State—yet too many are still struggling to make ends meet.

SB 468 authorizes counties to establish a local Child Tax Credit for low-income families with qualifying children. By allowing counties to provide an additional county income tax credit for families earning under \$15,000 in federal adjusted gross income, this bill gives local governments the flexibility to directly support the working families who need it most.

For families living paycheck to paycheck, even a modest tax credit can make a real difference. It can mean:

- Catching up on rent or avoiding eviction.
- Paying a utility bill before it is shut off.
- Covering childcare costs so a parent can stay in the workforce.
- Buying groceries without relying on a food pantry.

- Purchasing school supplies, clothing, or medication for a child.

Working families face rising costs across the board—housing, food, transportation, and childcare. At the same time, wages at the lower end of the income scale have not kept pace with inflation. SB 468 acknowledges that families with young children, especially children under six and children with disabilities, face additional financial strain. This targeted relief helps stabilize households at a critical time in a child’s development.

Importantly, this legislation does not mandate a new program—it empowers counties to act. It provides local flexibility to determine the amount of the credit and whether it will be refundable, allowing counties to tailor the policy to their fiscal realities while prioritizing family economic stability.

Research consistently shows that child tax credits reduce child poverty, improve health outcomes, and support long-term educational attainment. When families are more financially secure, children perform better in school, experience less stress, and have greater long-term opportunity. For SEIU Local 500 members who work in public schools and higher education, we see every day how economic insecurity impacts students. Supporting families is one of the most effective ways to support children’s success.

This bill is about dignity. It is about recognizing that working parents deserve support, not struggle. And it is about giving counties a practical tool to strengthen the economic foundation of their communities.

SEIU Local 500 urges a favorable report on Senate Bill 468 to help Maryland’s working families build stability, opportunity, and a better future for their children. Thank you Senator King for leading on this issue.

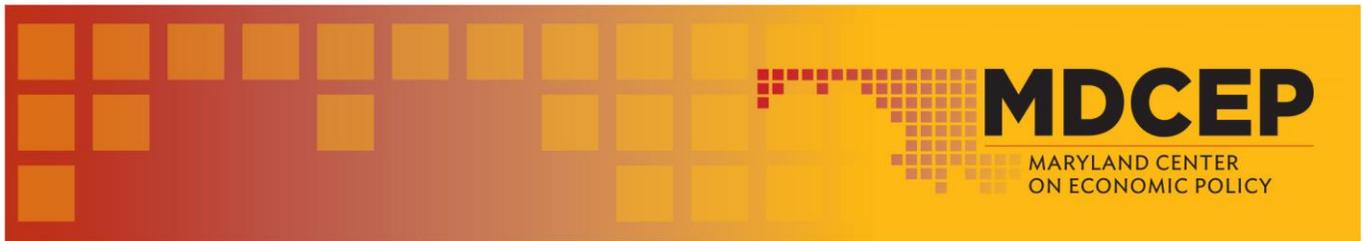
Thank you for your time and consideration.

Christopher C. Cano, MPA
Director of Political & Legislative Affairs
SEIU Local 500

SB 468_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV



FEBRUARY 12, 2026

Local Child Tax Credits Would Boost the Power of A Policy Already Helping Thousands of Children

Position statement in support of Senate Bill 468

Given before the Senate Budget and Taxation Committee

Every child deserves to grow up in a safe home free of the daily stress that comes with economic insecurity. The federal Child Tax Credit advances this goal by providing an income boost to many thousands of low-income Maryland families with children, but it currently provides only minimal benefits to many families, and locks some out entirely.ⁱ Maryland's targeted state Child Tax Credit boosts incomes for the lowest-income households that don't benefit from the full federal credit. **The Maryland Center on Economic Policy supports Senate Bill 468 because it would allow local governments to provide a matching credit that further reduces poverty for Maryland children.**

While working family tax credits like the Child Tax Credit are an important part of economic security in the best of times, today's rising unemployment and higher costs for everyday essentials makes this additional assistance even more vital. A larger refund at tax time would be a huge help to the families struggling to make ends meet.

The Child Tax Credit helps make the cost of raising children more affordable for families by offsetting the federal income tax they owe or, if the value of the credit exceeds the tax they owe, by providing part or all of the credit in the form of a refund. The federal credit provides families an income boost of up to \$2,200 per child at tax time. Research shows that this additional income can bring lifetime benefits—improving children's health, helping them succeed in school, and ultimately enabling many to get better jobs in adulthood.ⁱⁱ Yet for many children who would gain the most from increased family income, the credit currently provides only small benefits or leaves them out entirely:

- Families whose income is less than \$2,500 per year are not eligible to claim the credit at all.
- Families with slightly higher incomes—up to about \$30,000 for a single parent with one child, or higher for larger families—can claim a partial credit, but are not eligible for the full \$2,200 per child.
- The Trump administration's signature federal tax overhauls in 2017 and 2025 expanded the maximum value of the credit but capped the refundable portion that is most helpful to low-income families at a lower amount. This choice shut struggling families out of the biggest benefits, even as the law handed a windfall to large corporations and wealthy individuals.

Maryland's state CTC provides very-low-income families with young children or children with disabilities a benefit of \$500 per child. Eligible families with income up to \$15,000 receive the full credit and those with income up to \$24,000 receive a partial credit. This modest income boost could mean better access to nutritious food or enriching reading materials, or could even help keep the electricity or heat on.

Allowing local governments to provide a match to the state credit could further help thousands of families afford the basics. Maryland already allows local governments to provide a local match to the Earned Income Tax Credit and Montgomery County has long had a successful program to do so, known as the Working Families Income Supplement.ⁱⁱⁱ County leaders are able to adjust the match of the state EITC each year to respond to economic needs and the capacity of their local budget, and families are automatically able to receive much-needed cash without having to file additional tax forms.

Because the state Child Tax Credit is targeted to very low-income households that might not get the full benefit of other working family tax credits, the option to provide a local match would complement the existing EITC program and provide a more targeted option for jurisdictions that can't currently afford to match the EITC, which has much broader eligibility and reaches more families.

We owe it to Maryland children to guarantee a basic living standard and a foundation for success at school and in the workforce. Senate Bill 468 would represent an important step in that direction.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Budget and Taxation Committee make a favorable report on Senate Bill 468.

Equity Impact Analysis: Senate Bill 468

Bill summary

Senate Bill 468 would allow a local counterpart to the state child tax credit. Under the state credit, tax filers are eligible to claim the credit if they have a qualifying child under age 6 or an older child who has a disability. Those that have federal adjusted gross income under \$15,000 receive the full credit and it gradually phases down for those with income up to \$24,000. The local match does not need to equal 100% of the state credit.

Background

The federal Child Tax Credit provides families a credit of up to \$2,200 per child. Families with annual income less than \$2,500 are not eligible to claim the federal credit, and families with income below about \$30,000 to \$45,000 (depending on filing status and number of children) can claim only a partial credit. Research shows that increased family income in early childhood can bring lifetime health, educational, and workforce benefits.^{iv}

The 2017 and 2025 federal tax overhauls expanded the maximum value of the credit, but capped the refundable portion that is most helpful to low-income families, meaning that millions of children nationwide saw only minimal gains.

Equity Implications

While there are not sufficient data to estimate the characteristics of people who would benefit from Senate Bill 468, data from the current federal child tax credit as well as legislation to improve the credit suggest that the bill would likely bring the largest benefits to women and people of color:

- The Working Families Tax Relief Act was a bill to expand and improve the federal Earned Income Tax Credit and Child Tax Credit, including reforms similar to Maryland's CTC. Among Maryland households expected to benefit from this bill, 57% were households of color; 40% were Black households; 11% were

Latinx households; and 8% are Asian, American Indian/Alaska Native, or belonging to another racial group.^v

- As of tax year 2012, 65% of Maryland parents benefiting from the federal earned income tax credit or child tax credit were women.^{vi}
- Because Senate Bill 468 increases benefits for families with the lowest incomes—who, because of historical and ongoing policies, are disproportionately made up of women and people of color—the bill would likely have even greater benefits for these groups than the current Child Tax Credit.

Impact

Senate Bill 468 would likely **improve racial and economic equity** in Maryland if local governments adopt their own credits.

ⁱ “Policy Basics: The Child Tax Credit,” Center on Budget and Policy Priorities, n.d., <https://www.cbpp.org/research/federal-tax/the-child-tax-credit>

ⁱⁱ “Policy Basics: The Child Tax Credit”

ⁱⁱⁱ See Andrew Boardman, “These Three Local EITCs Are Boosting Family Incomes at Tax Time,” Institute on Taxation and Economic Policy, 2024, <https://itep.org/three-local-eitcs-boosting-family-incomes-at-tax-time/>

^{iv} Katherine Michelmore, “Tax Credits and Child Outcomes: Lessons from the U.S., U.K., and Canada,” NBER Working Paper 33822, 2025, <https://www.nber.org/papers/w33822>

^v Chuck Marr, Brendan Duke, Yixuan Huang, Jennifer Beltrán, Vincent Palacios, and Arloc Sherman, “Working Families Tax Relief Act Would Raise Incomes of 46 Million Households, Reduce Child Poverty,” Center on Budget and Policy Priorities, 2019, <https://www.cbpp.org/research/federal-tax/working-families-tax-relief-act-would-raise-incomes-of-46-million-households>

^{vi} “Fact Sheet: 21 Million Mothers Benefit from Tax Credits for Lower-Income Working Families,” Center on Budget and Policy Priorities, 2015, <https://www.cbpp.org/research/federal-tax/fact-sheet-21-million-mothers-benefit-from-tax-credits-for-lower-income-working>
“Fact Sheet: 21 Million Fathers Benefit from Tax Credits for Lower-Income Working Families,” Center on Budget and Policy Priorities, 2015, <https://www.cbpp.org/research/federal-tax/fact-sheet-13-million-fathers-benefit-from-tax-credits-for-lower-income-working>

SB468_FAV_Stewart.pdf

Uploaded by: Kate Stewart

Position: FAV



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

KATE STEWART
COUNCILMEMBER
MONTGOMERY COUNTY COUNCIL

February 18, 2026

TO: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

FROM: Kate Stewart
Montgomery County Councilmember, District 4

RE: Senate Bill 468, *Income Tax - Local Child Tax Credit - Authorization*
Support

My name is Kate Stewart and I serve as the Montgomery County Councilmember for District 4. Today, I am speaking on behalf of myself in support of Senate Bill 468, *Income Tax - Local Child Tax Credit - Authorization*.

This bill would authorize a county to provide, by law, a credit against the county income tax for certain dependent children. Dependent children that qualify are those under the age of six claimed as dependents when filing taxes. A child with a disability who is under the age of 17 would also qualify. The tax credit that this bill authorizes sets the federal adjusted gross income threshold to \$15,000, allowing a resident who makes less than that who is a taxpayer to claim a credit of \$500 against the county income tax for each qualified child. If a resident's federal adjusted gross income is higher than \$15,000, the amount of the credit shall be reduced by \$50 for each \$1,000, or fraction thereof, except that the reduction cannot reduce the credit below zero.

Child tax credits are a proven tool for reducing poverty. We know that raising a family can be costly, especially in jurisdictions like Montgomery County. Expanding the availability of these tax credits to the county level is essential to make the cost of raising children more affordable for families across our state. Growing up the child of a single parent, I know first hand the

The Honorable Guy Guzzone

Re: Senate Bill 468, *Income Tax - Local Child Tax Credit - Authorization*

February 18, 2026

Page 2

importance of additional financial supports for families and the long term benefits these can provide. These benefits include improved health and educational outcomes during childhood, and increased educational attainment, employment, and earnings in young adulthood.¹ We also see increased local spending as families tend to pay for immediate needs with the credit. This bill will benefit not only individual families, but entire communities.

This legislation is needed to provide greater security for our families. I urge you to support this bill to help provide safe and healthy childhoods for Maryland's children.

¹ [Center on Budget and Policy Priorities: The Child Tax Credit](#)

SB0468-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



Senate Bill 468

Income Tax - Local Child Tax Credit - Authorization

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 18, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 468. This bill authorizes counties to offer a local child tax credit against the county income tax for very low-income families.

MACo generally supports legislation that provides broad authority to enact incentives for revitalization and tax relief, and welcomes the opportunity to work with state policymakers to develop flexible, optional tools to create broad or targeted incentives. Counties prefer the approach offered by SB 468, as it provides local autonomy to determine the best way to offer these incentives rather than those mandating reductions in local revenue sources.

The bill focuses on families with extremely low income. Eligibility is limited to families with federal adjusted gross income below \$15,000, directing relief to residents facing the most acute financial strain, while limiting the fiscal exposure for counties that choose to participate.

The bill mirrors the structure of Maryland's existing State child tax credit but keeps all decisions local. Counties would decide whether to offer the credit, set its amount, and determine whether it is refundable. Counties could tailor the credit to local priorities and fiscal capacity, rather than applying a statewide mandate that affects county revenue without local input.

Counties continue to face growing fiscal pressure from education, infrastructure, public safety, and employee costs. At the same time, counties operate with limited tools to respond to changing community needs. SB 468 provides a targeted, locally driven option that counties may adopt when it aligns with local goals and fiscal capacity.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on SB 468.

COA_written testimony_SB 468 Income Tax - Local Ch

Uploaded by: Laura Jahromi

Position: FAV



February 16, 2026

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

We urge the Budget and Taxation committee to support SB468 – Income Tax – Local Child Tax Credit - Authorization as we believe a local child tax credit would put flexible dollars directly into families' pockets, helping them afford child care and stabilize household finances. Child care is one of the largest expenses families face – often rivaling or exceeding housing costs. Housing and child care costs in counties like Montgomery County are dramatically higher than in other parts of the state; uniform statewide credits do not reflect these regional differences. When families can afford care, providers experience fewer payment disruptions and educators experience more stable enrollment – strengthening the entire early childhood system.

We believe it will help reduce the number of families experiencing poverty and this, along with cash stabilization are strongly associated with families being better able to pay for necessary household costs, including housing, and child care tuition. Being able to pay for child care tuition alone, avoids disruptions, and maintains consistent care arrangements, which stabilizes parents' ability to thrive in the workforce, increase the local and state economy. It also supports child care programs by ensuring consistent child enrollment and provider revenue (the day-to-day operating lifeline for child care programs).

The evidence suggests that a local child tax credit can reduce child poverty. When the federal Child Tax Credit (CTC) was expanded in 2021, child poverty fell 46%—from 9.7% (2020) to 5.2% (2021) and census researchers estimate the expanded child tax credit kept 2.9 million children out of poverty in 2021. When those expansions ended, child poverty more than doubled in 2022, reinforcing that tax credits drive the change. Also importantly, a child tax credit can support parental work by helping pay for child care and other significant household expenses and improves household stability so parents can work, look for work, and attend school.

So we urge you to support SB468, as it would give communities another practical lever to ensure that raising children in Maryland is more affordable and economically secure.

Submitted on behalf of the Children's Opportunity Alliance by

A handwritten signature in black ink, appearing to read "Laura Jahromi".

Laura Jahromi, Manager, Strategic Initiatives
The Montgomery County Children's Opportunity Alliance
1801 Rockville Pike, Rockville, MD 20852 | 301-450-1871 |
laura@mocochildren.org

The Montgomery County [Children's Opportunity Alliance](https://www.mocochildren.org) is a locally legislated Early Care and Education Coordinating Entity that connects our community to build an equitable, accessible, high-quality, and sustainable early childhood system that narrows disparities and puts young children on a path to reach their greatest potential.

SB 468 - MFN - Local CTC - FAV_Klingenmaier.pdf

Uploaded by: Lisa Klingenmaier

Position: FAV



Testimony in Support of SB 468 Income Tax – Local Child Tax Credit – Authorization

Senate Budget and Taxation Committee

February 18, 2026

Maryland Family Network (MFN) strongly supports SB 468, which authorizes a county to provide a local child tax credit against their county income tax.

Maryland Family Network (MFN) has worked since 1945 to improve the availability and quality of child care and other vital supports for children and their families. We have been active in state and federal debates on policies that address the needs of working families and are strongly committed to ensuring that children and their caregivers have access to the resources and opportunities they need to thrive.

The Child Tax Credit (CTC) is a successful anti-poverty tool that boosts the financial stability of low-income families. The impacts of childhood poverty are long-lasting and significant, including impaired development, decreases in educational achievement, and declines in health.¹ Even a modest increase in household income for families living in poverty can significantly improve outcomes for children and society as a whole.² Ultimately, tax credits – like the CTC – help low-income families make ends meet and continue working, which strengthens their connection to the workforce and builds economic security.

SB 468 provides an opportunity for counties to build on the success of our state CTC, and target resources to the lowest income households who are left out of receiving the full federal CTC. There are many families who make too little money to qualify for the federal CTC, leaving a gap in who can benefit from the federal credit. Disparities persist in who accesses the federal CTC, as Black and Brown families disproportionately fall into the gap of making too little money to receive the credit, as they are overrepresented in low-wage work.³ Broadening the scope of who can access tax credits by allowing local jurisdictions to enact their own child tax credits will increase the financial resources of historically marginalized populations, and bolster local economic activity.

Counties can already create a local match to the State’s Earned Income Tax Credit (EITC), and SB 468 can expand upon the success of similar local credits. Montgomery County has created a local match tax credit, called the Working Families Income Supplement, which is a refundable credit that delivers a direct payment equal to a percentage of a household’s Maryland state EITC refund. Around 64,000 families in Montgomery County take advantage of the credit, and over 95% of these

¹ The Center for Law and Social Policy. 2023. *The Enduring Effects of Childhood Poverty*. <https://www.clasp.org/blog/the-enduring-effects-of-childhood-poverty/>

² Gennetian LA, Castells N, Morris P. Meeting the Basic Needs of Children: Does Income Matter? *Child Youth Serv Rev*. 2010 Sep 1;32(9):1138-1148. <https://pmc.ncbi.nlm.nih.gov/articles/PMC2913899/#>

³ Center on Budget and Policy Priorities. 2025. *The Child Tax Credit*. <https://www.cbpp.org/research/federal-tax/the-child-tax-credit>

local EITC dollars flow to households in the bottom two-fifths of income earners.⁴ Allowing jurisdictions to create their own Child Tax Credit will complement and boost the success of other local tax credits, strengthening family stability across the state.

Allowing localities to create their own tax credit match to the state's CTC will get more cash to low-income families with young children. **Maryland Family Network respectfully urges a favorable report on SB 468.**

Submitted by: Lisa Klingenmaier, Deputy Director of Public Policy

⁴ Institute of Tax and Economic Policy. 2024. *These three local EITCs are boosting family incomes at tax time.* <https://itep.org/three-local-eitcs-boosting-family-incomes-at-tax-time/>

2.16 SB 468- Income Tax - Local Child Tax Credit -

Uploaded by: Lonia Muckle

Position: FAV



SB 468 - Income Tax - Local Child Tax Credit - Authorization
Senate Budget and Taxation Committee
February 18, 2026
SUPPORT

Chair Guzzone, Vice-Chair, and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 468. This bill would allow for local Child Tax Credits (CTC).

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.**

Families that earn under \$15,000 face a wide variety of financial challenges that have negative impacts on themselves and their children. Children who live in deep poverty have a hard time succeeding in school, and their families have fewer resources to devote to educational programs, such as those that are before kindergarten. Families that live in deep poverty also have decreased access to health services. Health issues experienced at a young age can have effects that will follow children throughout adulthood. Unfortunately, some families will have to delay treatment or forego necessary intervention because they cannot afford the extra expense. In 2023, Maryland's General Assembly aimed to address these issues by passing the Family Prosperity Act, which established the state's first permanent CTC.

SB 468 would allow counties to have their own CTC. We know that the CTC is one of the most proven and effective policy tools we have for reducing child poverty and improving family economic stability. Research shows that child tax credits increase household income, reduce overall hardship, and improve long-term outcomes for children, including health, educational attainment, and future earnings. **When families have access to flexible cash support, they are better able to meet basic needs, manage emergencies, and invest in their children.**

Maryland's state CTC targets the lowest-income households. These households are the least likely to benefit from the federal CTC. Under recent federal changes enacted through HR 1, many families with very low incomes are left out of receiving the full federal credit or receive no benefit at all because the credit is not fully refundable. As a result, Maryland's current state credit plays a critical role in filling a gap for families who need support the most.

SB 468 builds on our state's foundation by giving counties the option to create a local CTC that complements the state credit. This bill creates an opportunity to get more cash directly in the pockets of families with young children and children with disabilities. By allowing counties to tailor a local credit to their communities, SB 468 provides local flexibility while reinforcing the state's commitment to reducing child poverty.

Thus, we encourage you to return a favorable report for SB 468.

Creating Assets, Savings and Hope

Maryland Catholic Conference_FAVSB468_.pdf

Uploaded by: Michelle Zelaya

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

February 18th 2026

SB468

Income Tax - Local Child Tax Credit – Authorization
Budget and Taxation Committee
Position: Favorable

The Maryland Catholic Conference offers this testimony in support of **Senate Bill 468**. The Maryland Catholic Conference 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.

Senate Bill 468 allows counties in Maryland to establish their own child tax credit by providing credit against the county income tax for eligible dependent children. This legislation does not mandate the creation of credit but instead empowers local jurisdictions with the flexibility to design a child-focused tax benefit that meets the unique needs of their communities. The bill simply authorizes counties to adopt a local child tax credit through local law.

This policy gives counties an effective tool to support families, reduce childhood poverty, and ease the financial burdens parents face. A local child tax credit would help families cover essential expenses such as food, childcare, education, and housing—costs that continue to rise across Maryland. By giving counties, the discretion to tailor their credit based on local needs and resources, this bill promotes responsive and community-specific solutions. Strengthening financial stability for families directly contributes to healthier children, stronger communities, and long-term economic growth.

Family is the foundational unit of society and every person's dignity is closely connected to their ability to care for those they love. Supporting families, especially during times of financial strain, is an expression of our shared moral responsibility. A local child tax credit reflects the Church's call to uphold the dignity of parents by helping them meet the basic needs of their children. When families are given the tools to remain stable, united, and supported, entire communities flourish. This legislation honors the sacred responsibility of parents and helps ensure that every child can grow in security, hope, and love.

Authorizing counties to implement a local child tax credit empowers families to stay resilient, even in difficult times, by easing financial burdens and strengthening the stability of the household. When parents have the resources, they need to provide for their children, dignity is protected, family unity is strengthened, and communities become healthier and more compassionate.

For these reasons, the Maryland Catholic Conference urges a favorable report on **Senate Bill 468**.

SB468 - King - Sponsor Testimony.pdf

Uploaded by: Senator Nancy King

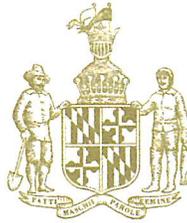
Position: FAV

NANCY J. KING
Legislative District 39
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

Chair
Education, Business, and
Administration Subcommittee



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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.

SB 468 - SWASC - CTC - FAV.pdf

Uploaded by: UM SWASC

Position: FAV

TESTIMONY IN SUPPORT OF BILL SB 468

Income Tax - Local Child Tax Credit - Authorization

Budget and Taxation Committee

February 18, 2026

Social Work Advocates for Social Change strongly supports SB 468, which authorizes counties to establish a refundable or non-refundable local child tax credit for families that is based on Maryland's state Child Tax Credit (CTC). SB 468 allows counties to adopt a local tax credit that would provide targeted financial relief to eligible households, prioritizing children under the age of six and children with disabilities under the age of 17.

Families living in deep poverty are more likely to experience housing instability, food insecurity, and difficulty meeting basic expenses. When income is limited, even small, unexpected costs can disrupt household stability. For children, in particular, financial stress during early childhood is associated with measurable long-term effects on health, educational attainment, and economic mobility.¹ Families raising children with disabilities also face higher average out-of-pocket expenses related to health care, therapy, and specialized services.² At the same time, studies show that even small increases in family income can reduce the impact of child poverty and improve developmental outcomes.³

Tax credits - especially refundable tax credits - are designed to reach households with little or no tax liability by providing a benefit that is not limited to taxes owed.⁴

Tax credits - like the CTC - that prioritize children under age six and children under age 17 with disabilities directs support to households where income stability can have lasting developmental impact. If counties choose to structure the credit as refundable and direct it to households under the income threshold, SB 468 delivers relief in a manner that is accessible to families most likely to face financial instability.

By authorizing counties to establish a refundable local credit, SB 468 builds upon policy approaches that have demonstrated measurable outcomes in other jurisdictions. SB 468 provides an opportunity for counties to extend the success of Maryland's state CTC and provide targeted income supports to low-income families with children. Increases in family income are associated with improvements in child health, educational attainment, and long-term earnings.⁵ Research from the Prenatal-to-3 Policy Impact Center indicates that state child tax credits are associated with improved family economic security and reductions in reported child maltreatment rates.⁶ These findings suggest that targeted credits may contribute to both short-term stabilization and long-term positive outcomes.

Maryland jurisdictions can already create a local match to the State’s Earned Income Tax Credit (EITC), and SB 468 can expand upon that model. Montgomery County has created a local match tax credit, called the Working Families Income Supplement, which is a refundable credit that delivers a direct payment equal to a percentage of a household’s Maryland state EITC refund. Almost 64,000 families in Montgomery County have claimed the credit, and over 95% of these local EITC dollars flowed to households in the bottom two-fifths of income earners.⁷ Allowing jurisdictions to create their own Child Tax Credit will complement and boost the success of other local tax credits, strengthening family stability across the state.

While tax credits alone are not a comprehensive solution to poverty – and broader structural investments in wages, housing, childcare, and healthcare remain necessary – SB 468 represents a meaningful and evidence-informed step toward reducing financial strain for families with young children.

Social Work Advocates for Social Change urges a favorable report on SB 468.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

¹ The Center for Law and Social Policy. 2023. *The Enduring Effects of Childhood Poverty*.

<https://www.clasp.org/blog/the-enduring-effects-of-childhood-poverty/>

² Kaiser Family Foundation. (2023). *Health care costs and access challenges for children with special health care needs*. <https://www.kff.org>

³ National Academies of Sciences, Engineering, and Medicine. (2019). *A roadmap to reducing child poverty*. The National Academies Press. <https://doi.org/10.17226/25246>

⁴ Center on Budget and Policy Priorities. (2024). *Policy basics: The child tax credit*.

<https://www.cbpp.org/research/federal-tax/policy-basics-the-child-tax-credit>

⁵ National Academies of Sciences, Engineering, and Medicine. (2019). *A roadmap to reducing child poverty*. The National Academies Press. <https://doi.org/10.17226/25246>

⁶ Prenatal-to-3 Policy Impact Center. (2023). *State child tax credits: Evidence summary*. Vanderbilt University, Peabody College. <https://pn3policy.org>

⁷ Institute of Tax and Economic Policy. 2024. *These three local EITCs are boosting family incomes at tax time*. <https://itep.org/three-local-eitcs-boosting-family-incomes-at-tax-time/>