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Testimony in Support of
House Bill 542 - Earned Income Tax Credit - Individuals Without Qualifying Children – Eligibility
Ways and Means Committee
February 12, 2026

The Rural Maryland Council **supports House Bill 542 - Earned Income Tax Credit - Individuals Without Qualifying Children – Eligibility**. This bill expands eligibility for the Maryland Earned Income Tax Credit (EITC) for individuals without qualifying children. This legislation adjusts the income thresholds at which the state EITC phases out for individuals without qualifying children and ensures that, beginning after the 2025 tax year, these income thresholds and phase-out amounts are adjusted annually for inflation. The changes proposed in this bill will apply to all taxable years beginning after December 31, 2025, with an effective date of July 1, 2026.

By expanding eligibility for the EITC, House Bill 542 offers critical financial relief to hardworking Marylanders who are employed yet still struggling to make ends meet. Extending eligibility to include individuals without qualifying children recognizes the valuable contributions of all workers, regardless of family status, and encourages workforce participation by allowing more individuals to receive meaningful tax relief.

Expanding eligibility also has positive impacts beyond individual households by supporting local economies. When individuals receive greater financial resources through tax credits, they are more likely to spend that money in their communities, increasing demand for goods and services and stimulating economic activity. This effect is particularly important for small and rural businesses throughout Maryland.

Crucially, this bill also promotes fairness in the tax system. Under current federal and state EITC rules, workers without children have a significantly lower income threshold and smaller credit amounts compared to taxpayers with children. By raising the eligibility thresholds and indexing them for inflation over time, Senate Bill 377 moves Maryland toward a more equitable tax structure that supports a broader range of working individuals.

For these reasons, the Rural Maryland Council respectfully requests your favorable support of HB 542.