



COMMISSION ON AGING

Testimony on HB0745: Position – Favorable Income Tax - Senior Tax Credit - Refundability

TO: Chair Wilkins, Vice Chair Feldmark, and members of the Ways and Means Committee
FROM: Linda Bergofsky, Co-Chair, Montgomery County Commission on Aging

Thank you for the opportunity to submit testimony in support of HB0745 – Income Tax - Senior Tax Credit - Refundability. The CoA was established by Montgomery County in 1974 pursuant to a requirement of the Federal Older Americans Act of 1965, that there be an Advisory Council to the Area Agency on Aging. In that role, the CoA serves as an advocate for the health, safety, and well-being of the County's older residents at the local, State, and National levels.

HB 745 strengthens Maryland's existing Earned Income Tax Credit (EITC) by ensuring that eligible tax payers age 65 and older may receive a refund on State income taxes while providing for a temporary adjustment mechanism during periods of significant revenue decline, helping the State maintain fiscal stability while preserving the core value of the tax credit. Equally important, HB0745 allows tax payers to claim the excess credit if the full credit exceeds their income tax for a given year.

Refundable tax credits have a proven track record of improving financial stability for working households, and are even more important for older tax payers living on fixed incomes. According to the 2024 American Community Survey (ACS), 7.6% of people age 65 and older in Montgomery County live in poverty; 46% of Montgomery County age 65+ households have annual income below \$100,000.

HB 745 represents a thoughtful, balanced approach that both supports Maryland's older tax payers and protects the State's long term fiscal health. Refundability is a meaningful and overdue improvement that will help thousands of households in Montgomery County and across the State meet essential needs and attain financial security.

For these reasons, we respectfully urge a FAVORABLE report on HB0745.

Department of Health and Human Services

401 Hungerford Drive, 4th Floor, Rockville, Maryland, 20850 240-777-1120, FAX 240-777-1436