



**Montgomery County Community Action Board Testimony**  
**HB363: Income Tax - Local Child Tax Credit - Authorization**  
**February 12, 2026**  
**SUPPORT**

TO: The Honorable Jheanelle K. Wilkins, Chair; The Honorable Jessica Feldmark, Vice Chair; and Members of the Ways and Means Committee  
FROM: The Montgomery County Community Action Board

The Montgomery County Community Action Board, the County's local, state, and federally designated anti-poverty group, strongly supports HB363, which if passed, would allow local jurisdictions to create their own Child Tax Credit (CTC). The full Credit would be available to County residents with an adjusted gross income of \$15,000 or less. For each \$1,000 that a taxpayer's income increases beyond the threshold, the credit would be reduced by \$50. This continues until the credit reaches phases out to zero.

HB363 would have a positive effect in any jurisdiction that chooses to establish a CTC. Research consistently shows that Child Tax Credits, the Earned Income Tax Credit, and other credits that support workers with modest incomes are some of the best tools available to help families become financially stable. These credits have also supported households in their ability to afford basic needs like food and shelter. Links to increased birthweights<sup>1</sup>, with larger impacts for births to African American women, to improved maternal health<sup>2</sup>, and to decreases in children entering foster care<sup>3</sup> have also been noted.

Nearly 78,000 residents make up the 7.2% poverty rate here in Montgomery County. Many of these households would benefit from an additional tax credit. Even a modest tax credit can help a family pay their rent, pay for groceries, put money into savings, and move towards the Self-Sufficiency Standard, which is \$122,943 for a family of four with two adults, one school-age child, and one preschooler.<sup>4</sup> This is over four times the Federal Poverty Level.

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<sup>1</sup><https://pubs.aeaweb.org/doi/pdfplus/10.1257/pol.20120179>

<sup>2</sup>[https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC\\_Health\\_Final\\_Draft.pdf](https://www.kellogg.northwestern.edu/faculty/garthwaite/htm/EITC_Health_Final_Draft.pdf)

<sup>3</sup><https://journals.sagepub.com/doi/full/10.1177/1077559519900922>

<sup>4</sup><https://www.montgomerycountymd.gov/HHS-Program/OCA/CommunityAction/Self-SufficiencyStandard.html>

Our agency's own Volunteer Income Tax Assistance (VITA) program would be in an excellent position to link eligible residents with a new Child Tax Credit. The VITA program served nearly 2,400 moderate to low income households last year. Staff and program volunteers receive training about various tax credits available and would be able to connect our program participants with a new credit.

The passing of this bill will offer the potential for a Montgomery County Child Tax Credit, creating additional financial support to County residents who are struggling to pay for critical necessities. The Montgomery County Community Action Board strongly supports HB363.