



POVERTY FREE MARYLAND Testimony in Support of HB 363

Income Tax – Local Child Tax Credit, Authorization

Ways and Means Committee
February 12, 2026

Voting Member Agencies:

Anne Arundel County Food Bank

Baltimore Jewish Council

CASH Campaign of Maryland

Catholic Charities

Family League of Baltimore

Laurel Advocacy & Referral Services,
Inc.

Maryland Center on Economic Policy

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Poverty Free Maryland

Poverty Free Maryland supports HB 363, which allows local governments to create a match for the Maryland Child Tax Credit (CTC). The CTC 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. It is a proven, powerful tool that reduces poverty for millions of Americans each year. Adding a local credit, on top of the existing state and federal credits, would help boost incomes for the lowest-income households in the state.

Maryland's state Child Tax Credit is targeted to the lowest income households, helping to [bridge a gap left by federal policy](#). Families earning less than \$30,000 to \$45,000 (depending on filing status and the number of children) do not receive the full federal CTC, and those with income under \$2,500 don't receive the federal credit at all.

Maryland's credit covers families that federal policy does not. Families with income up to \$15,000 receive a \$500 refundable tax credit per child under age 6 or an older child who has a disability. Those with incomes up to \$24,000 would receive a partial credit. HB 363 would give local governments the ability to provide a local match to the state credit. **The CTC has been linked to greater educational outcomes, improved health, and higher earnings later in life for the children** whose families benefitted from the increased economic stability the credit provides.

Maryland already has a successful model for a similar local refundable tax credit for working families. Local governments can already offer a local match to the state Earned Income Tax Credit. Montgomery County's Working Families Income Supplement now boosts incomes for tens of thousands of low-income county residents each year. The county is able to adjust the percentage match of the state credit annually to reflect local budget.

MAP appreciates your consideration and urges a favorable report for HB 363.

*Founded in 2025 through the merger of Welfare Advocates (established in 1979) and Marylanders Against Poverty (established in 1988), **Poverty Free Maryland** is a coalition of service providers, faith groups, and other organizations working together to exchange information, educate decisionmakers, and advocate for statewide public policies and programs necessary to address the underlying systemic causes of poverty and ensure that low-income Marylanders are provided with low- and no-barrier access to all resources needed to thrive and build a better life for the future.*

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