



TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE

HB542 Earned Income Tax Credit – Individuals Without Qualifying Means – Eligibility

Position: Support

By: Linda Kohn, President

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The League of Women Voters of Maryland is a nonpartisan organization that works to increase understanding of major public policy issues, and to influence public policy through education and advocacy. The League believes that some of the goals of social policy should be to reduce poverty among Marylanders, thereby securing equal rights and equal opportunity for all. This includes providing support for all low-income workers. HB542 would extend the Earned Income Tax Credit that Maryland currently offers to families to more qualifying working Marylanders without children in their homes.

Maryland is one of 31 states across the nation that offer the Earned Income Tax Credit, which is widely recognized as one of the most effective anti-poverty tools that a government can provide. However, many workers in Maryland are not currently eligible because they are single filers without dependents. This includes young people, veterans, elderly, people with disabilities, non-custodial parents, and youth aging out of foster care. These low-income workers are taxed further into poverty without the relief afforded to those in similar jobs that have dependent children.

This bill proposes to increase the maximum income to qualify for the state EITC and will adjust to the cost of living in subsequent years. It will affect over 100,000 Marylanders by increasing their economic security, and potentially increasing their refund. Not only will it benefit the taxpayer, but as these taxpayers spend their tax refunds the local economy receives a boost. Every dollar invested in EITC generates \$1.23 of economic activity.

The increased economic stability and reduced vulnerability of low-income workers, and the related boost to the economy in low-income communities, make this bill an important step forward in Maryland's efforts to reduce poverty and the risks that accompany it. For these reasons, the Maryland League of Women Voters, representing over 2,000 Marylanders, urges a favorable report on HB542.