

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 663

(The President)(By Request - Office of the Comptroller)

Budget and Taxation

Ways and Means

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**Earned Income Tax Credit - Notice of Eligibility - Alteration**

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This bill authorizes the Comptroller to provide by electronic means certain required notice to employers in the State regarding the earned income tax credit. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** General fund expenditures for the Comptroller’s Office may decrease due to cost savings beginning in FY 2026. In FY 2026, cost savings are likely offset by one-time programming costs; in the out-years, general fund expenditures may decrease by more than \$100,000 annually. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Bill Summary:** By December 31 annually, an employer must provide specified electronic or written notice to an employee who may be eligible for the federal and/or Maryland earned income tax credit. The Comptroller must prepare such notice and mail the notice to all employers in the State. Under the bill, the Comptroller may provide this notice to employers by mail or by electronic means.

**Background:** The Comptroller’s Office advises that it incurs about \$140,000 in mailing costs annually to mail the aforementioned notice to employers in the State, many of which are returned undelivered. The bill allows the Comptroller’s Office to realize cost savings

and reach more employers by providing such notice electronically via Maryland Tax Connect, the Comptroller's new integrated tax system. The Comptroller's Office further advises that businesses without electronic means of communication would still be contacted by mail.

**State Expenditures:** General fund expenditures for the Comptroller's Office may decrease due to cost savings beginning in fiscal 2026. In fiscal 2026, cost savings are likely offset by one-time programming costs; in the out-years, however, general fund expenditures may decrease by more than \$100,000 annually. As noted above, the Comptroller's Office currently spends about \$140,000 annually on the required mailings to Maryland employers.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 603 (The Speaker)(By Request - Office of the Comptroller) - Ways and Means.

**Information Source(s):** Comptroller's Office; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2025  
js/jrb Third Reader - March 13, 2025

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