



## TESTIMONY IN SUPPORT OF HB 679

### Earned Income Tax Credit - Individuals Without Qualifying Children - Eligibility

*House Ways and Means Committee  
February 20, 2020*

*Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs*

#### Member Agencies:

Advocates for Children and Youth  
Baltimore Jewish Council  
Behavioral Health System Baltimore  
CASH Campaign of Maryland  
Catholic Charities  
Episcopal Diocese of Maryland  
Family League of Baltimore  
Fuel Fund of Maryland  
Health Care for the Homeless  
Homeless Persons  
Representation Project  
Job Opportunities Task Force  
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Maryland Catholic Conference  
Maryland Center on Economic Policy  
Maryland Community Action  
Partnership  
Maryland Family Network  
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#### Marylanders Against Poverty

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**Marylanders Against Poverty (MAP) supports HB 679**, which expands Maryland's Earned Income Tax Credit (EITC) income eligibility threshold to \$23,540 for single filers without dependents.

**The Earned Income Tax Credit is a critical anti-poverty tool.** The EITC helps low-wage workers in Maryland by reducing their tax burden, creating additional economic security for themselves, and strengthening low income workers' connections to the workforce. The EITC helps people make ends meet and continue working despite low wages. Reliable transportation promotes job retention. EITC refunds are used for the costly maintenance of having access to a private vehicle, which in many parts of the state is necessary for commuting. Refunds are used for car insurance payments, car maintenance, car payments, gas, and vehicle registration fees. Expanding access to the EITC will help remove some barriers that low income workers face.

**The current structure of Maryland's EITC benefits families, but is not accessible for many single filers not claiming dependents.** Single filers not claiming dependents are a diverse group of individuals. They can be youth aging out foster care, young veterans, people transitioning out of homelessness, noncustodial parents, single men struggling to remain engaged in the workforce, and simply single people that are struggling to provide for themselves. These single filers are getting taxed into poverty<sup>1</sup>. HB 679 addresses this issue by increasing the income threshold for eligibility to \$23,540 for single filers.

**HB 679 would generate a refund for individuals working and living in poverty, bolstering the local economy.** Currently, a full-time minimum wage worker without dependents earns "too much" to claim ANY state EITC. Under HB 679, the same worker could qualify for the EITC, which would not only offset their tax burden, but could help them receive a possible tax refund. Studies show that this refund is likely to be spent in the local economy to purchase necessities, pay off bills, and contribute to savings.<sup>2</sup>

**MAP appreciates your consideration and urges a favorable report for support HB 679.**

**Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.**

<sup>1</sup> <https://www.cbpp.org/research/lone-group-taxed-into-poverty-should-receive-a-larger-eitc>

<sup>2</sup> Ruby Mendenhall et al., "The Role of Earned Income Tax Credit in the Budgets of Low-Income Families," Social Service Review, February 2012.