



TESTIMONY IN SUPPORT OF HB 447

*Human Services - CASH Campaign - Annual Appropriation
House Appropriation Committee
February 8, 2022*

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

Member Agencies:

211 Maryland

Advocates for Children and Youth

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Catholic Charities

Energy Advocates

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

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Catholic Conference

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

Public Justice Center

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) strongly supports HB 447, which will increase the CASH Campaign state grant to \$500,000.

Volunteer Income Tax Assistance ('VITA') is a life-changing service for Maryland's low-income communities. VITA is a national program, specifically designed to help low-income workers access tax credits that effectively lift them out of poverty. VITA is especially helpful for individuals with disabilities, those with limited English proficiency, and older adults. The CASH Campaign of Maryland and its partners operate VITA sites in counties across Maryland. **Each year VITA brings back over \$20 million in refunds to be spent in Maryland's economy.**

According to the National Society of Accountants, low-income taxpayers paid an average of \$220 to get their taxes done in 2020. That same year **VITA saved low-income taxpayers an estimated \$3 million in fees.**

The Earned Income Tax Credit is one of the most successful anti-poverty tools in Maryland. It has shown to disproportionately benefit women and communities of color, and helps keep young, single men engaged in the workforce. In Maryland, there are 20% of eligible workers who qualify for the EITC and do not claim it.

Right now, **the State has an opportunity to strengthen its investment to EITC outreach and free tax preparation.** By increasing state funding for Maryland's VITA services, CASH and its partners can better market the EITC and make sure they receive their full refund at tax time. VITA programs across the state have experienced an increase in demand for their services, while decrease in their ability to serve. This leads to people not having access to their refunds or paying an average of \$220 to get their refund. Research shows that tax refunds for low-to-moderate income families are used to pay for essentials like groceries, housing, and paying down debt. Also, recent relief aid has been given through the tax code. People should not have to pay to receive their relief aid.

HB 447 will give VITA programs more resources that puts money back into people's pockets and into the local economy.

Therefore, we urge a favorable report on HB 447

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.