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Advocates for Children and Youth

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Catholic Charities

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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

Julia Gross, Co-Chair

P: 410-528-0021 ext 6029

E: [jgross@mdhungersolutions.org](mailto:jgross@mdhungersolutions.org)

Kali Schumitz, Co-Chair

P: 410-412- 9105 ext 701

E: [kschumitz@mdeconomy.org](mailto:kschumitz@mdeconomy.org)

## TESTIMONY IN SUPPORT OF SB 369

### Income Tax - Return Preparation Assistance Program for Low-Income Families

Senate Budget and Taxation Committee

February 8, 2022

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

**Marylanders Against Poverty (MAP) strongly supports SB 369**, which will establish a Return Preparation Assistance program for low-income families.

**The Earned Income Tax Credit (EITC) 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. EITC refunds are used to cover bills or afford things that could be difficult to afford at any other time. For example, people can use the credit to address health concerns. They can catch up on medical bills, make a health insurance payment, or cover the cost of a doctor appointment or medication.

**Every year around 20% of eligible taxpayers are not claiming the EITC.** This is leaving many low-income workers without additional support they are eligible for. It is critical for Marylanders to receive all additional aid that they are eligible for during this time. COVID-19 has had negative effects on the economy and caused financial harm to low-income families. It is essential for all eligible low-income families to be notified about the EITC and receive the EITC. This will increase Maryland's EITC participation rate, and provide a necessary boost for low-income families.

**SB 369 addresses this issue by requiring the Comptroller to prepare tax returns and amended tax returns for eligible taxpayers.** SB 369 would generate tax returns and amended returns for individuals working and living in poverty, bolstering the local economy. This will offer low-income individuals more opportunities to tackle debt, buy groceries, and cushion the cost of living for a moment. Furthermore, studies show that larger refunds are likely to be spent in the local economy to purchase necessities, pay off bills, and contribute to savings. Providing low-income workers with more resources to survive, will have a positive ripple effect for all of Maryland.

**MAP appreciates your consideration and urges the committee to issue a favorable report for SB 369.**

*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.*