



HB 919- Income Tax – Child Tax Credit – Alterations and Sunset Extension
House Ways & Means Committee
February 23, 2022
POSITION: Support

Chair Atterbeary, Vice Chair Washington, and members of the committee, thank you for the opportunity to testify in support of HB 919. This bill will extend the Maryland Child Tax Credit (CTC) and make its benefits available to more low-income families.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

We are a member of the Tax Credits for Maryland Families Coalition. Tax Credits for Maryland Families (TCMF) is a coalition of more than 20 organizations committed to educating policymakers and the public about the state's working family tax credits, the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). **The coalition identifies opportunities to strengthen the state tax credits and ensure the credits are reaching all eligible taxpayers.**

TCMF supports this bill because the CTC is an important step in combating childhood poverty. HB 919 will help low-income families and children in poverty by extending the credit through 2026 and expanding eligibility requirements for Maryland families. Currently, Maryland's CTC is set to expire in 2023, restricts income to under \$6,000 a year, applies only to children with a disability, and penalizes families for receiving the federal CTC.

HB 919 will help to create stronger families in Maryland. The CTC is used to mitigate costly expenses that negatively impact families' overall well-being. Families have expenses such as childcare, transportation, health, and school materials. By establishing a stronger Maryland CTC, more families will receive money that can be directly used to manage some of these daily costs. This will increase families' financial stability and will give them more opportunities for them and their children to thrive.

Households experiencing poverty suffer from limited access to food, unemployment, unstable housing, inadequate medical care, and utility shutoffs. These consequences have long-term negative effects on children that follow them into adulthood. **HB 919 is a crucial step forward in combating childhood poverty and fostering secure families for future generations.**

The CTC is one of the most powerful tools governments use to lift children out of poverty. It is the most effective tool for cutting the rate of childhood poverty. HB 919 will improve the Maryland CTC by expanding the credit and helping it reach more Maryland families.

For these reasons, we encourage a favorable report on HB 919.