



**Statement of the Maryland Federation of
National Active and Retired Federal Employees
Senate Budget and Taxation Committee Hearing, February 14, 2024
On Senate Bill 676 – Tax Assistance for Low Income Marylanders - Funding**

(Position – FAV)

Good afternoon, Chair Guzzone and Vice-Chair Rosapepe and members of the Budget and Taxation Committee. My name is Robert M. Doyle and I am testifying on behalf of the State Legislative Committee of the Maryland Federation of the National Active and Retired Federal Employees Association (NARFE), representing approximately 317,000 federal annuitants and employees in Maryland. For the continuing benefit of our senior membership as well as all Maryland seniors, we support – and ask you for a favorable report on – Senate Bill 676, entitled Tax Assistance for Low Income Marylanders – Funding.

Maryland has for many years funded Low-Income Tax Clinics operated by the University of Maryland and University of Baltimore Schools of Law and the non-profit Maryland Volunteer Law Services. SB 676 will reinstate the funding for these clinics – correcting a drafting error in an earlier bill – and increase the

funding for these clinics from \$250,000 to \$500,000, using proceeds from the State Unclaimed Property Fund.

Also, beginning in fiscal 2026, SB 676 will directly impact Maryland seniors through provisions of the Creating Assets, Savings and Hope – or CASH – Campaign of Maryland. The CASH Campaign of Maryland is a nonprofit organization that promotes economic advancement for low- to moderate-income individuals and operates various direct service programs, including free income tax preparation assistance for low- to moderate-income individuals and families at sites in Baltimore City and throughout the state.

SB 676 will increase the annual mandated appropriation for the CASH Campaign of Maryland from \$500,000 to \$800,000 and will establish a \$150,000 grant program administered through the CASH Campaign to be used for mobile or on-demand tax clinics that serve rural populations, senior communities, or under-resourced communities. While the CASH campaign has tax preparation service partners in many Maryland counties, their current Website shows no service partners available in eight counties, mostly in rural areas, so this is sorely needed.

Many Maryland seniors are eligible for tax credits, such as the Earned Income Tax Credit (EITC), the Child or Dependent Tax Credit, and the Senior Tax Credit, but do not apply for them because without tax preparation assistance they don't know they qualify. Also, they can face problems such as:

- Audits (in the U.S. those who claim the EITC are audited at a higher rate than wealthy individuals;
- Refund claims;
- Innocent spouse relief;¹
- US Tax Court litigation; and
- Collections.

While many Maryland seniors can utilize professional tax services to take advantage of these credits and other related benefits, these services can be out of reach for those not so fortunate. The Maryland State Bar Association has noted that “low-income tax clinics help provide critical assistance to vulnerable Marylanders who are trying to navigate a complex tax system on their own.”²

NARFE support bills like this one that help seniors stay in Maryland. When seniors are assisted by programs like the low-income tax clinics, this helps them

¹ Innocent spouse relief can relieve you from paying additional taxes if your spouse understated taxes due on your joint tax return and you didn't know about the errors. Innocent spouse relief is only for taxes due on your spouse's income from employment or self-employment. (Source -- <https://www.irs.gov/individuals/innocent-spouse-relief>).

² <https://www.msba.org/expanded-funding-to-ensure-tax-assistance-for-low-income-marylanders-hb-451-sb-676/>

make the decision to stay here and not retire to other states. For these reasons,
Maryland NARFE asks respectfully for the Committee to give a favorable report to
SB 676.

Thank you for the opportunity to testify today.

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