

## Tax Assistance for Low-Income Marylanders

### SB676

For many Marylanders, the tax filing process can be confusing and even intimidating. When people have the financial resources available to them, they often turn to tax preparation services to ensure they have professionals help them navigate the Maryland tax code. Unfortunately, those same services are often out of reach for Marylanders without significant incomes because even when free services are available, demand far outpaces supply. This bill aims to change that.

Importantly, a successful bill from last year – brought by Del. Rosenberg and Sen. Zucker – that made the Tax Clinics for Low-Income Marylanders Fund a permanent allocation from the abandoned property fund was overwritten by a later chapter, effectively repealing the mandatory funding provision. The bill before you today restores the Tax Clinics for Low-Income Marylanders Fund and expands it from \$250,000 to \$500,000 using abandoned property funds identified by the Comptroller's Office.

**What this bill does:** This bill provides funding support for Low-Income Tax Clinics, the CASH Campaign, and creates a grant program to incentivize mobile or on-demand tax clinics in underserved or under resourced areas. Specifically, this bill:

1. Restores the annual appropriation for Low Income Tax Clinics and increases it from \$250,000 to \$500,000. The clinics are operated by the University of Baltimore, Maryland Volunteer Law Services, and the University of Maryland School of Law.
2. Increases the annual appropriation for the CASH Campaign from \$500,000 to \$800,000 for general operations of tax clinics for low-income Marylanders.
3. From that increased appropriation, this bill establishes a \$150,000 grant program administered through the CASH Campaign to be used for mobile or on-demand tax clinics that serve rural populations, seniors, or under-resourced communities, including New Americans.

**Why this bill is important:** The Maryland tax code can be a tool to help alleviate poverty, especially for low-income Marylanders. However, the tax code can be challenging to navigate, even for those who can afford tax guidance. Low-income tax clinics, the Maryland CASH Campaign, and mobile or on-demand tax clinics are essential tools for helping Marylanders in need by providing such guidance free of charge.

Access to free tax services helps residents gain access to the Earned Income Tax Credit, the Child or Dependent Tax Credit, the Senior Tax Credit and many other benefits lawmakers built into the tax code to help lift up Marylanders.



A significant portion of low-income Marylanders are not required to file state taxes as they do not meet the income threshold. However, if they were to file, many of these taxpayers would be eligible for tax refunds that many consider a valuable lifeline for those struggling to make ends meet or a way to help lift working families out of poverty. Increasing the state's support for these tax clinics can help make those connections, encourage non-filers to participate, and help enhance the utilization of these vital anti-poverty initiatives.

We offer one amendment below for the committee's consideration to clarify and encourage the coordination between the CASH campaign and Low Income Tax Clinics to ensure that all organizations are aware of the work and services each other provides.

I urge a favorable report on SB676.

I look forward to working with the General Assembly on this important legislation.



Brooke E. Lierman  
Comptroller of Maryland

Suggested Amendment Language:

Low income tax clinics funded through this legislation and the CASH campaign shall interact at least one time per year to

(II) ~~A RECIPIENT OF A GRANT FROM THE CASH CAMPAIGN TO OPERATE AN ON DEMAND OR MOBILE TAX CLINIC IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INTERACT WITH THE CASH CAMPAIGN OF MARYLAND ON, AT MINIMUM, A QUARTERLY BASIS EACH YEAR TO ENSURE SUFFICIENT ACCESS TO TAX PREPARATION SERVICES FOR LOW-INCOME MARYLAND RESIDENTS.~~