

**Testimony in support of SB 676 – Tax Assistance for Low–Income Marylanders –
Funding**

Before the Senate Budget and Taxation Committee

February 14, 2024

Good afternoon, Chair Guzzone, Vice Chair Rosapepe and members of the Budget and Taxation Committee. My name is Beverly Winstead, Clinic Instructor at the University of Maryland Francis King Carey School of Law, Low Income Taxpayer Clinic. I am pleased to join Senator Zucker and my colleagues from the University of Baltimore (UBalt) and the Maryland Volunteer Lawyers Services (MVLS) in supporting SB 676.

During the 2021 Legislative Session, a special fund was created to provide supplemental grant funding for the University of Maryland Carey School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service (MVLS) to operate tax clinics for low-income state residents. While tax clinics already existed at all three entities, they were funded by the IRS, and the grants allowed us to assist Marylanders with their Maryland tax issues in only limited circumstances. The passage of SB 312 and HB 346 in 2023 which received overwhelming support from the Legislature, enabled the clinics to establish resources and outreach efforts to provide support for state related tax issues for Marylanders.

I am pleased to share with you the incredible work Carey School of Law has been engaged in to actively support Marylanders since standing up our Low-Income Tax Clinic:

- We conducted 16 outreach activities (in person and virtual) estimating our reach to approximately 40,862 Maryland taxpayers
- Assisted Maryland taxpayers resolve their Maryland tax problems by:
 - securing refunds (7 taxpayers)
 - assisting with state audit of tax returns (26 taxpayers)
 - assisting with innocent spouse claim (2 taxpayers)
- Aided Marylanders with repaying outstanding MD taxes (60 taxpayers) by
 - Setting up payment plans
 - Filing Offers in Compromise
 - Requesting hardship status

One example of a taxpayer we helped with our grant funds was a gentleman, a Baltimore County resident, who has Maryland tax liabilities from 2009 through 2017. He got a letter from Maryland stating that he could not renew his license or renew his vehicle registration. He was concerned that he would not be able to drive to work or pick up his kids from school. He turned

to us for assistance. We helped him get the MVA hold lifted. We are currently negotiating a collection alternative with the Comptroller's office.

Another example of a client we are helping is a woman in her fifties who owes Maryland approximately \$20,000. She cannot afford to repay the amount that is owed because she is the sole earner in her house and cares for her elderly mother. We are in the process of preparing an Offer in Compromise to resolve her outstanding taxes. We believe that when Maryland accepts her offer, it will give her the fresh start she needs so that she can continue to focus on caring for her aging mother.

All in all, we have served clients from all over the state. Specifically, from Anne Arundel, Baltimore County, Baltimore City, Caroline, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince Georges, Queen Anne, St. Mary's, and Talbot counties. Most of our cases closed in 6 months or less.

SB 676 will authorize an increase in funding for this vital work from \$250,000 to \$500,000 to be equally divided between the three entities (UBalt, UMCSOL and MVLS). This significant reinvestment will be an important recognition of the profound benefit to Maryland of the work we are doing. The increased funding will allow us to continue our good work for the citizens of Maryland and will ensure stability and longevity for our programs.

We are excited to further our work and continue to support Marylanders in resolving state related tax issues which proves beneficial to not only our citizens but to the state as well. SB 676 ensures that hard-working Marylanders with tax disputes get the representation they deserve. Therefore, I strongly urge the Committee to provide a favorable report on SB676.

Thank you for your consideration.