

**SB 676.pdf**

Uploaded by: Beverly Winstead

Position: FAV

**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.

**MLU written testimony - SB 676 - Tax Assistance fo**

Uploaded by: Carlos Orbe, Jr.

Position: FAV



February 13, 2024

Position: SUPPORT

**SB 676 - Tax Assistance for Low-Income Marylanders - Funding**

Education, Energy, and the Environment Committee:

Honorable Members of the Legislative Body,

I write to you today representing Maryland Latinos Unidos (MLU), a coalition dedicated to advocating for the needs of Latino and immigrant communities across our state. Our mission is rooted in equity, justice, and collective action, aiming to address the disparities faced by these communities and to find viable solutions.

I bring to your attention a crucial bill, SB 676, which holds the potential to significantly impact the lives of Latino communities in Maryland, along with other marginalized groups. This bill focuses on reinstating funding and increasing support for tax assistance programs for low-income individuals.

Allow me to underscore why this bill is of utmost importance:

**Equity and Access:** Latino and immigrant communities often face barriers to accessing vital services, including tax assistance. By allocating resources to programs like the Tax Clinics for Low-Income Marylanders Fund (TCLIM) and the Creating Assets, Savings, and Hope (CASH) Campaign of Maryland, we ensure equitable access to tax preparation services and financial education for these communities.

**Empowerment and Advocacy:** This bill aligns with our core values of empowerment and advocacy. It recognizes the power of collective action and community strength in championing social, economic, health, and environmental justice. Through increased funding and support, we can amplify our advocacy efforts and promote positive change for Latino and immigrant populations.

**Capacity Building:** SB 676 not only provides financial assistance but also focuses on capacity-building initiatives for Latino-serving nonprofits. By offering technical

assistance and grant opportunities, we empower grassroots organizations to better serve their communities, thus fostering long-term resilience and sustainability.

**Community Collaboration:** The bill encourages collaboration and partnership among organizations, businesses, and individuals supporting Latino and immigrant communities. By fostering a "Community of Allies and Friends," we create opportunities for collective problem-solving and consensus-building, strengthening our impact statewide.

In summary, SB 676 represents a critical step towards addressing the systemic inequalities faced by Latino and immigrant communities in Maryland. By investing in tax assistance programs and capacity-building initiatives, we not only support the immediate needs of these communities but also lay the foundation for lasting positive change.

I urge you to consider the profound impact this bill can have on the lives of countless individuals and families across our state. Let us stand together in solidarity and support SB 676 for the betterment of all Marylanders.

Thank you for your attention and commitment to justice and equity for all.

Respectfully,

Carlos Orbe, Jr.

Communications and Public Affairs Specialist

Maryland Latinos Unidos

**MD Catholic Conference\_SB 676\_FAV.pdf**

Uploaded by: Garrett O'Day

Position: FAV



MARYLAND  
CATHOLIC  
CONFERENCE

**February 14, 2024**

**SB 676  
Tax Assistance for Low-Income Marylanders - Funding**

**Senate Budget & Taxation Committee**

**Position: Favorable**

The Maryland Catholic Conference (MCC) offers this testimony in support of Senate Bill 676. The Maryland Catholic Conference (MCC) is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 676 would allow for the distribution of abandoned property funds to the Tax Clinics for Low-Income Marylanders Fund. It is important to address economic disparities and support initiatives that uplift the marginalized and vulnerable in our community.

The Catholic Church's social teachings underscore the importance of justice, solidarity, and the preferential option for the poor. By allocating funds to the Tax Clinics for Low-Income Marylanders Fund, we contribute to the welfare of those struggling with financial hardships, recognizing the dignity of each person and their right to economic well-being.

Tax clinics play a vital role in ensuring that individuals with limited financial means have access to essential services and resources. By allocating funds to these clinics, we extend a lifeline to low-income Marylanders, helping them navigate complex tax systems and securing the financial support they need.

This legislation will take meaningful steps toward fostering a society that values the well-being of all its members, particularly those facing economic challenges. The MCC appreciates your consideration and respectfully urges a favorable report for Senate Bill 676.



**SHIH testimony SB676.pdf**

Uploaded by: janice shih

Position: FAV

**TESTIMONY OF JANICE SHIH  
DIRECTOR, LOW INCOME TAXPAYER CLINIC  
UNIVERSITY OF BALTIMORE SCHOOL OF LAW**

**IN SUPPORT OF SB 676**

**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 Janice Shih, and I am the Director of the Low Income Taxpayer Clinic (LITC) at the University of Baltimore School of Law. Thank you for this opportunity to testify in support of Senate Bill 676.

I am proud to support the Comptroller's legislation to provide additional funding for the Tax Clinics for Low-Income Marylanders Fund and the CASH Campaign. Today I join my colleagues from the University of Maryland, Maryland Volunteer Lawyers Service, and the CASH Campaign in advocating for the passage of this important legislation.

Prior funding from your committee enabled three different Maryland LITCs to expand and enhance our current work with low income Maryland taxpayers with tax disputes. The University of Baltimore's LITC chose to focus on outreach and education.

This past year, UB undertook a major initiative to reach the new arrivals and New Americans population residing in Maryland. Maryland has always been home to a substantial number of refugees, immigrants, and immigrant communities, as well as home to multiple U.S. Department of State refugee resettlement partners. To serve this population, UB created the Tax Assistance Project for Immigrants and Refugees (or TAPIR) and reached out to various stakeholders serving this population. To complement our outreach, we created a bilingual top "10 Tax Tips for Immigrants and Refugees" trifold brochure translated into 13 different languages (Spanish, French, Ukrainian, Pashto, Dari, Arabic, Nepali, Russian, Tigrayan, Amharic, Swahili, Korean and Chinese) for mass distribution in Baltimore and throughout Maryland. These trifold brochures, both hard copies slated for printing next week and digital versions, will be distributed to libraries, immigrant and refugee organizations, ESL classes, educational institutions, and community- and faith-based organizations for this 2024 tax season. Not only does the trifold provide important tax information, but it was designed as an English-language learning tool due to its bilingual format. We continue to make inroads into the immigrant communities through presentations to members of over 50 organizations serving these various populations, participation in local coalitions and events, individual client tax assistance, and responding to inquiries from the community. Through our work, we proactively encourage tax compliance and facilitate tax administration, which ultimately benefits the State of Maryland

by increasing tax revenue and providing more accurate tax filing, resulting in fewer future tax problems to resolve.

Because of the generosity of the Maryland state grant, UB hired an additional highly-qualified staff person to increase our capacity to assume more complex Maryland Tax Court cases. Through this initiative we plan to develop a closer relationship with the Maryland Tax Court in order to assist pro se petitioners (individuals without legal representation) and reduce the Court's caseload.

UB's LITC also partnered with UB's Second Chance program, a community re-entry program through education. Although many of these former inmates receive grants and are employed, few have knowledge on filing taxes and repercussions if they don't. Through presentations and individual counseling, we hope to prevent former inmates from future tax trouble. In addition, UB is assisting several current inmates seeking pandemic stimulus checks. This is important as it funnels money back into the local economy while enhancing family stability by reducing poverty.

Since funding began, UB has assisted 47 individual clients with Maryland state issues, 37 of them with multiple years at issue. All fell within the income guidelines of 250% of poverty level, which in 2024 is an annual income of \$37,650 or \$18/hr for a single individual. We anticipate this client number to rise as we continue to broaden our outreach efforts.

Additional funding would allow UB to not only broaden our client services, but also to develop future exciting and impactful initiatives such as additional inter-institutional collaborations, student employment fellowships, and creative projects promoting student development, client services, and taxpayer advocacy.

Finally, a word of support for funding the CASH Campaign. We at UB have worked closely with CASH to get taxpayers to become filing compliant and to educate students and other taxpayers. Personally, I first learned how to read a tax return as a CASH volunteer, so the organization is near and dear to my heart! I understand first-hand the importance of the organization and the work it accomplishes in our community. Additional opportunities for tax assistance, including mobile clinics to expand population reach, benefits all Maryland residents and we would be pleased to partner with CASH on this opportunity as it supports UB's crucial mission of continued taxpayer outreach and education.

The University of Baltimore School of Law is grateful for your funding and interest in our work as we jointly serve the Maryland tax community with the State of Maryland.

**MVLS Written Testimony SB0676 Page 1.pdf**

Uploaded by: John Hardt

Position: FAV



**JUSTICE FOR ALL**

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF SB0676: TAX ASSISTANCE FOR LOW-INCOME  
MARYLANDERS - FUNDING  
WEDNESDAY, FEBRUARY 14, 2024

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Chairman Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 676.

My name is John Hardt and I am the Director of the Low Income Taxpayer Clinic (LITC) at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteer lawyers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY23, MVLS volunteer and staff lawyers provided legal services to 3,256 people across the state. Through our LITC program, we encounter many clients who owe back taxes to the state of Maryland, resulting in consequences such as liens, levies, holds on driver's licenses, professional licenses, and vehicle registration. For the reasons explained below, MVLS respectfully requests the Committee return a favorable report on SB0676.

There are three federally funded LITC programs in the state of Maryland: MVLS LITC, the University of Baltimore School of Law LITC and the University of Maryland Carey School of Law LITC. LITCs are federally funded to provide assistance to low-income taxpayers with federal tax issues. These clinics are allowed to assist low-income taxpayers with Maryland tax issues, but only if a federal tax issue already exists. For taxpayers with only a Maryland Tax issue, these LITCs cannot use their federal funding. Even without state funding for the LITCs, MVLS made the financially difficult decision to provide service to taxpayers with only Maryland tax issues, but this was unsustainable. Only the introduction of Maryland state funding three years ago allowed MVLS to continue. SB0676 increases the vital funding all three LITC programs need to provide legal representation for assistance with Maryland tax matters.

**MVLS Written Testimony SB0676 Page 2.pdf**

Uploaded by: John Hardt

Position: FAV

SB0676's proposed funding of mobile, statewide tax clinics organized through the CASH Campaign of Maryland, would be an excellent opportunity to spread the benefits of tax preparation and tax assistance services to areas of the state which have historically had less access than others. While MVLS' Tax Clinic can accept cases from all areas of the state, all three clinics are currently located in the Baltimore area. Even though the mobile clinics are planned to be focused on tax preparation rather than tax controversies, tax preparers are quite often the ones who identify tax controversies and inform taxpayers that clinics like ours can help.

Low-income Marylanders who have tax issues with the Maryland Comptroller face a bevy of serious consequences. Once a taxpayer owes a tax, penalties and interest accrue rapidly, with taxpayers often feeling overwhelmed and unsure of how to even start to deal with the issue. As a taxpayer's balance grows, the state moves to put a lien for the balance due, or to levy wages, or to put a hold on their driver's license or professional license. The lien becomes a public record, which can impact an individual's credit as well as ability to gain employment. A levy, or garnishment, can reduce already low wages, leaving an individual with insufficient income for their daily necessities. Withholding a license can prevent many taxpayers from working to earn enough to pay the debt. While resolutions such as pauses to collection, offers-in-compromise (OIC) and sustainable, affordable installment agreements are possible, it is extremely difficult for taxpayers to reach these outcomes without legal representation. Enabling an individual to resolve their tax debt gives them a path forward to sustainable employment and becoming a compliant taxpayer.

If passed, SB0676 would allow more low-income taxpayers with Maryland tax issues to seek and receive this much needed assistance. Here are two examples of taxpayers who would not have been able to resolve their tax problems on their own.

1. Kevin had a long history of drug and alcohol abuse. Having graduated from a residential rehab program, Kevin was ready to move forward with his life with school and a new job. However, Kevin owed an outstanding tax balance to Maryland and there was a hold on his license, preventing him from obtaining his Commercial Driver's License (CDL). A MVLS volunteer helped Kevin obtain a Hardship Liability Waiver, allowing him to obtain his CDL. Kevin is now a licensed CDL driver, and is moving towards a sustainable payment plan with the State.
2. Cecilia and Bob were married for over 15 years when she discovered that he had accrued a large tax debt, partly from his business, and had involved her without her knowledge. Cecilia filed for bankruptcy and was released from the federal tax lien of \$126,643. However, her Maryland tax debt of \$16,139 was not discharged. A MVLS volunteer stepped in to assist Cecilia, by filing an appeal with Maryland to rescind the 2012 assessment, with over-payments of \$4,713.75 credited to Cecilia's account. The volunteer then worked with Cecilia to do an OIC to settle the rest of her liabilities.

MVLS has been fighting to even the playing field for low-income Marylanders for decades, and we know that the need for representation is pressing. Legislation like SB0676 would ensure that MVLS and other LITCs can continue to provide that representation to Marylanders who need it.

Chairman Guzzone and members of the Committee, thank you again for the opportunity to testify.

**SB 676\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV





FEBRUARY 14, 2024

# Increasing Reach of Working Family Tax Credits Will Benefit Maryland Families and our Economy

## Position Statement Supporting Senate Bill 676

*Given before the Senate Budget and Taxation Committee*

The federal and state Earned Income Tax Credits (EITC) and Child Tax Credits (CTC) help hundreds of thousands of working Marylanders who struggle to get by due to low wages and also boost the economy. However, many Marylanders don't receive the benefits of these effective anti-poverty tools even though they are eligible. **The Maryland Center on Economic Policy supports Senate Bill 676 because it will expand tax preparation assistance for people who are potentially eligible for these credits, which can help eligible Marylanders receive the state and federal EITC and CTC.**

Nearly 359,000 Maryland families received an income boost from the federal EITC last year. However, about one in four who are eligible don't receive it, according to IRS data.<sup>1</sup> The number of eligible Marylanders who aren't receiving the credit has gradually increased over the last decade, suggesting that the current outreach, education, and free tax preparation services alone aren't enough. People with very low incomes often don't earn enough to be required to file a tax return every year and may not be aware that they are missing out on refundable credits.

Free tax preparation services for low- and moderate-income households are one of the important tools for ensuring that Maryland families receive the tax credits they are eligible for. Senate Bill 676 would significantly expand the capacity of the state's free tax preparation programs across the state. Expanding access to free services with a qualified tax preparer also helps serve as an alternative to predatory private preparers that often target low-income communities and either take a large portion of taxpayers' refunds as payment or, in some cases, prepare erroneous or fraudulent returns without the taxpayer's knowledge.

It is important to ensure all eligible Marylanders are receiving the EITC and CTC because it can have such a powerful impact on people's lives. Nationwide nearly 11 million people are lifted out of poverty each year because of the federal EITC and CTC, with Maryland residents seeing even further benefits due to our state credits.<sup>2</sup> Research shows that reducing poverty through these tax credits, especially for children, has significant long-term benefits, such as experiencing better health, doing better in school, and earning higher incomes later in life. It is also good for our economy, as families living paycheck to paycheck are likely to spend their refunds on immediate needs like car repairs, clothing, or school supplies, which boosts sales at local businesses.

Further, this is a critical moment to expand services because the General Assembly passed legislation permanently expanding the EITC in 2023 and Congress is currently close to passing an expanded Child Tax Credit. More people may be eligible to claim the credit and may not be aware of the recent changes. Expanding uptake of these valuable credits among people who are likely to be eligible would help increase economic security and access to opportunity.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Budget and Taxation Committee make a favorable report on Senate Bill 676.**

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## Equity Impact Analysis: Senate Bill 676

### *Bill summary*

Senate Bill 676 substantially increases funding for free tax preparation services for low- and moderate-income households across the state.

### *Background*

About 27% of Marylanders who were eligible for the federal EITC did not claim it in 2020, the most recent year for which IRS data are available. Maryland's EITC participation rate has slightly declined, from nearly 80% in tax year 2011 to around 76% in tax years 2018 and 2019 and 73% in tax year 2020. Similar data are not available for the Child Tax Credit or the state level credits. Maryland has taken positive steps to expand eligibility for the state EITC and create a modest state CTC in recent years, meaning there are some people who can receive the state credit but not the federal one.

### *Equity Implications*

- Due to various structural barriers to opportunity, Black and Latinx workers are far more likely than white workers to earn poverty-level wages and are therefore more likely to qualify for the EITC and Maryland's state CTC. While state and federal tax credits serve a larger number of white households than households in any other racial or ethnic group, they serve a larger proportion of people of color.
- EITCs also have a disproportionate impact in reducing poverty rates among households of color.<sup>3</sup>

### *Impact*

Senate Bill 676 would likely **improve racial and economic equity** in Maryland.

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<sup>1</sup> IRS, EITC Participation Rates By State For Tax Years 2013 through 2020, <https://www.etc.irs.gov/etc-central/participation-rate-by-state/etc-participation-rate-by-states>

<sup>2</sup> Center on Budget and Policy Priorities, "Policy Basics: The Child Tax Credit," 2022. <https://www.cbpp.org/research/policy-basics-the-child-tax-credit>

<sup>3</sup> Michael Leachman et. al. "Advancing Racial Equity With State Tax Policy," Center on Budget and Policy Priorities, Nov. 15, 2018. <https://www.cbpp.org/research/state-budget-and-tax/advancing-racial-equity-with-state-tax-policy>

# **MD Rise - SB 676 - Low-Income Tax Services - FAV.p**

Uploaded by: Lisa Kligenmaier

Position: FAV



**Testimony in Support of Senate Bill 676  
Tax Assistance for Low-Income Marylanders – Funding**

**Senate Budget and Taxation Committee  
February 14, 2024**

**Maryland Rise strongly supports SB 676**, which increases the annual appropriation for Low-Income Tax Clinics, increases the annual appropriation to the Maryland CASH Campaign, and creates a grant program for mobile tax clinics that will serve targeted populations who are traditionally under-resourced.

**SB 676 strengthens Maryland’s free tax preparation infrastructure, which helps low-income families receive the tax credits they are eligible for.** The federal and state Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are some of the largest and most successful anti-poverty initiatives, but not all families who are eligible for the credits claim them. Unfortunately, almost one in four eligible households don’t claim the EITC or CTC, meaning these families are missing out on the income boost these programs provide.<sup>i</sup> By investing in low-income tax clinics, and organizations like the Maryland CASH Campaign, more Marylanders will have access to the tax filing assistance they need to access all the tax credits they are eligible for.

**Investing in low-income tax preparation is an investment in our state’s overall economy.** Accessing the EITC and CTC increases the economic security of low-income families, reducing the likelihood that these households will need to access other state-funded safety-net programs. Moreover, research shows that the EITC and CTC boost local economies, as the additional dollars are often spent at neighborhood businesses on basic necessities.<sup>ii</sup> SB 676 increases access to these important programs through targeted outreach, which is a smart investment of the state’s resources.

**Maryland Rise appreciates your consideration and urges the committee to issue a favorable report on SB 676.**

Submitted by: Lisa Klingenmaier, Executive Director

*Maryland Rise works to promote economic opportunity for all Marylanders.*

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<sup>i</sup> IRS, EITC Participation Rates By State For Tax Years 2013 through 2020, <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states>

<sup>ii</sup> Center on Budget and Policy Priorities. 2023. Policy Basics: The Earned Income Tax Credit. <https://www.cbpp.org/research/policy-basics-the-earned-income-tax-credit>

**SB 676 - MACPA Written Testimony \_ FAVORABLE (1).p**

Uploaded by: MB Halpern

Position: FAV



**SB 676 - Tax Assistance for Low-Income Marylanders - Funding**  
**Senate Budget and Taxation Committee**  
**February 14, 2024**  
**Legislative Position: FAVORABLE**

Dear Chair Guzzone and members of the Committee,

The Maryland Association of Certified Public Accountants (MACPA) is a membership organization with more than 8,000 CPA members. The CPA profession's core value of serving the public interest extends beyond the marketplace. We are extremely proud of the thousands of Maryland CPAs who donate their time and financial expertise by volunteering and providing free tax preparation services.

We wish to express our support for SB 676, which focuses on tax assistance for low-income Marylanders. One significant aspect of the bill is the allocation of funds for on-demand and mobile tax clinics, providing accessible tax assistance to various communities, including seniors, rural populations, and under-resourced areas.

We strongly support the comprehensive strategy for utilizing the funds, including free volunteer income tax assistance, financial education, coaching, and connecting individuals and families to affordable financial services. Establishing the Tax Clinics for Low-Income Marylanders Fund is a commendable step in providing targeted support to the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income residents.

SB 676 will help ensure that all citizens, regardless of income, have access to professional assistance in navigating complex tax regulations. It is for these reasons we request a **favorable report** for **SB 676**.

For more information about this position, please contact [marybeth@macpa.org](mailto:marybeth@macpa.org) or Nick Manis [nmanis@maniscanning.com](mailto:nmanis@maniscanning.com).

# **SB676 RMC Support Testimony.pdf**

Uploaded by: Molli Cole

Position: FAV



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*Susan O'Neill, Chair*

*Charlotte Davis, Executive Director*

Testimony in Support of  
Senate Bill 676 - Tax Assistance for Low-Income Marylanders - Funding  
Senate Budget & Taxation Committee  
February 14, 2024

The Rural Maryland Council respectfully requests your **FAVORABLE** support of Senate Bill 676 - Tax Assistance for Low-Income Marylanders - Funding. The bill requires the Comptroller, beginning in Fiscal Year 2025, to distribute \$500,000 of abandoned property funds to the Tax Clinics for Low-Income Marylanders Fund and requires the Governor to include \$800,000 in the State's annual budget for the CASH Campaign of Maryland to award grants for providing tax assistance through on-demand and mobile tax clinics that serve senior populations, rural communities or under-resourced communities including new American populations.

Volunteer tax prep helps families by providing them with free assistance in preparing their tax returns accurately and efficiently. This can help families maximize their tax refunds and credits, ensuring they receive the full amount of money they are entitled to. Additionally, volunteers can help families navigate complex tax and regulations, preventing them from making costly mistakes or missing out on potential tax benefits. Overall, volunteer tax prep can alleviate financial burdens for families and empower them to make more informed decisions about their finances.

This assistance helps families access the Earned Income Tax Credit (EITC), which is highly underutilized. The EITC is helpful for families in several ways. It provides a refundable tax credit to low and moderate-income working individuals and families, which can result in a significant cash infusion for them. The EITC can help lift families out of poverty by supplementing their income and reducing their tax burden. It also serves as an incentive for people to work, as it rewards individuals who are employed and earning income. Overall, the EITC is a valuable tool in combating poverty and improving financial stability for families. Refunds offered by the credit allow the family to make personal financial decisions that best serve their family.

One of the ways this credit is used is in addiction services. This helps those who are recovering, and often restarting their lives, to be provided with a tax break from the taxes of their past employment and have available finances to help them get back on their feet. Additionally, tax assistance is cost effective. The operation of the program does not require additional staffing. Tax assistance programs are run by volunteers and determined through tax returns that are already available to the Comptroller's office.

Maryland's rural areas often report the highest rates of poverty in the State areas compared to our urban and suburban counterparts. This legislation will help provide tax relief to low-income families that often miss out on the opportunity to take advantage of the tax breaks for which they are eligible. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 676.

*The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.*

**“A Collective Voice for Rural Maryland”**



**SB 676 Testimony R. Doyle NARFE B&T Hrng Feb 15, 2**

Uploaded by: Robert Doyle

Position: FAV



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**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;<sup>1</sup>
- 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.”<sup>2</sup>

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

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<sup>1</sup> 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>).

<sup>2</sup> <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.

Robert M. Doyle  
Vice-Chair, State Legislative Committee  
MD Federation – NARFE  
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Edgewater, MD 21037  
[Bdoyle47@verizon.net](mailto:Bdoyle47@verizon.net)  
H (410) 798-0079  
C/Text (301) 693-1774

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## **02.13- (SB 676) 2024 Tax Assistance for Low-Income**

Uploaded by: Robin McKinney

Position: FAV



**SB 676 - Tax Assistance for Low-Income Marylanders – Funding  
Budget and Taxation Committee  
February 14, 2024  
POSITION: SUPPORT**

Chair Guzzone, Vice-Chair Rosapepe, and members of the committee, thank you for the opportunity for the undersigned organizations to submit testimony in support of Senate Bill 676. This bill will distribute funds to the Tax Clinics for Low-Income Marylanders Fund and increase the state grant to the CASH Campaign to \$800,000 so we can continue expanding access to free tax preparation.

The CASH Campaign of Maryland promotes economic advancement for low- to moderate-income individuals and families in Baltimore and across Maryland. It 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. One of the many ways CASH and its partners across the state achieves this is by providing free tax preparation services through the IRS Volunteer Income Tax Assistance (VITA) program. CASH’s VITA program provides free tax preparation services to help low-income individuals and families file tax returns, avoid predatory fees, and claim the Earned Income Tax Credit (EITC). **Almost 4,000 of CASH’s tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The tax system was the main vehicle used to deliver relief from the pandemic, and now that the emergency financial relief programs are over, more Marylanders need financial support than ever. Not only have federal emergency financial relief programs ended, cost of living due to inflation has been at an all-time high over the past 3 years. The inflation rate average from 2021 to 2023 was 5.6%.<sup>1</sup> It is crucial that Marylanders receive quality tax preparation services to get the financial assistance they need. Last year, CASH enabled Maryland residents to save \$4 million in tax preparation fees and delivered \$28.5 million in state and federal refunds directly to Marylanders.



<sup>1</sup> <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>



Tax preparation is no longer a seasonal activity from January to April. CASH has moved to a year-round tax model where we work with clients to prepare back taxes through the end of October. To serve counties across the state, CASH hires seasonal workers who are site managers and manages hundreds of tax volunteers to provide services at our 26 tax sites. Longer tax seasons allow for more people to be served, and it increases the cost to support our partners and site managers.

From 2022 to 2023, CASH noticed a 94% increase in grant requests from our tax sites. We were unable to accommodate all the requests and did not fund the full amount requested for each site. Even though CASH could not fund all the requests, the tax sites are still projected to prepare over 13,000 returns this tax season. CASH expects the grant request amounts to continue to increase from tax sites around the state, and SB 676 would help CASH better meet the demand.

SB 676 would also ensure that financial resources are distributed to The Tax Clinics for Low-Income Marylanders Fund. This fund provides funding to the University of Maryland School of Law, the University of Baltimore School of Law, and Maryland Volunteer Law Service (MVLS). These organizations are designated by the IRS as Low-Income Taxpayer Clinics (LITC). This means that they help represent low-income people in disputes with the IRS, and they provide education and outreach to people who speak English as a second language. LITC's are helpful in communities because they provide representation for little to no fee. They receive a small amount of funding from the IRS, and there is an income ceiling to qualify for the low-income clinic based on family size. Additional allocated funds through SB 676 would greatly benefit these sites and their ability to provide services to low-income Marylanders.

Increasing CASH's state grant will help strengthen the free tax preparation infrastructure which will help Maryland families receive their full refunds.

**For these reasons, CASH and the undersigned organizations encourage a favorable report on SB 676.**

**Organizations**

Anne Arundel Community College  
Associated Catholic Charities, Inc.  
CASA  
Center for Urban Families  
Delmarva Community Services, Inc.  
Economic Action Maryland  
Homeless Persons Representation Project  
Laurel Advocacy & Referral Services, Inc.  
MakingChange, Inc  
Maryland Center for Collegiate Financial Wellness  
Maryland Center on Economic Policy  
Maryland Food Bank  
Maryland Hunger Solutions  
Maryland Nonprofits  
Maryland Rise  
Montgomery County Community Action Board  
Prince George's Community College Financial Empowerment Center

*Creating Assets, Savings and Hope*





Rural Maryland Council  
The Equity Center - Cross Community Inc.  
The Financial Empowerment Center at Prince George's Community College  
The Woodside Foundation  
United Way of Frederick County  
Wilmax Advisory LLC

*Creating Assets, Savings and Hope*

**Weich Testimony Tax Clinic Bill Senate 2-14-24.pdf**

Uploaded by: Ronald Weich

Position: FAV

**TESTIMONY OF RONALD WEICH  
DEAN OF THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW**

**IN SUPPORT OF SB 676**

**COMMITTEE ON BUDGET AND TAXATION  
MARYLAND SENATE**

**February 14, 2024**

My name is Ronald Weich, and I serve as dean of the University of Baltimore School of Law. Thank you for this opportunity to submit written testimony in support of Senate Bill 676.

I am proud to join colleagues, including my fellow dean Renee Hutchins from the University of Maryland Carey School of Law, in support of this excellent legislation proposed by Comptroller Lierman. The bill will strengthen the work of the tax clinics at the two Maryland law schools and the Maryland Volunteer Lawyers Service by increasing funding to the Tax Clinics for Low-Income Marylanders Fund.

The University of Baltimore School of Law operates a low-income tax clinic in which our students gain valuable legal experience representing Marylanders in tax law disputes. The clinic receives a grant from the Internal Revenue Service, with the requirement that at least 90% of the cases we accept each year must involve taxpayers with incomes under 250% of the federal poverty level. These clients cannot afford to hire a lawyer, and certainly not a lawyer with the expertise to address tax controversies effectively.

In addition to serving low-income Marylanders, the clinic provides real world experience to UB law students as part of our law school's nationally ranked clinical education program. This educational experience benefits not only students but also the government, because resolution of these disputes yields additional tax revenue and because clinic alumni frequently go on to help resolve major tax disputes at the state and federal levels.

The clients who seek help from our clinic are usually engaged in federal tax law disputes, but many have state law issues as well and some only have state law

issues. Three years ago, the General Assembly passed a bill sponsored by Delegate Rosenberg to supplement the IRS grant with state funding so the clinics could represent individuals in state tax law cases. The clinics' involvement in these state law matters lessens the burden on the Maryland Comptroller's Office because the Comptroller's staff would otherwise engage in the time-consuming effort to deal with unrepresented taxpayers.

Funding is distributed equally among the three entities, and each clinic chooses to utilize the funding in different but complimentary ways. The UB Law clinic focuses on outreach and education, especially among the substantial number of refugees and immigrants in Maryland. Our approach is described more fully in the testimony of Professor Janice Shih who directs our clinic.

State funding has also enabled our clinic to bolster staffing, thereby increasing our capacity to assist with Maryland Tax Court cases involving unrepresented petitioners. Additionally, our tax clinic established a partnership with UB's Second Chance program to serve former prisoners as they reintegrate into the community.

Recognizing the success of the 2021 law, the General Assembly last year repealed a sunset provision to allow the law to continue indefinitely. The Comptroller now proposes to increase the amount of funding available, enabling our clinics to expand long-term efforts that further the goals of the earlier legislation.

Since the advent of state funding, the UB tax clinic has engaged in extensive outreach and provided valuable information to countless Marylanders. In recent years we have represented forty-seven clients with state tax law disputes, most of which spanned multiple years.

The additional funding authorized in this bill will allow us to expand the services we provide to low-income Marylanders struggling with state tax law disputes. This is money well spent. I thank you for the opportunity to testify on this matter and urge the committee to favorably report SB 676.

# **MSCAN\_FAV SB676.pdf**

Uploaded by: Sarah Miicke

Position: FAV



# *Maryland Senior Citizens Action Network*

## **MSCAN**

*AARP Maryland*

*Alzheimer's  
Association,  
Maryland Chapters*

*Baltimore Jewish  
Council*

*Catholic Charities*

*Central Maryland  
Ecumenical Council*

*Church of the Brethren*

*Episcopal Diocese of  
Maryland*

*Housing Opportunities  
Commission of  
Montgomery County*

*Jewish Community  
Relations Council of  
Greater Washington*

*Lutheran Office on  
Public Policy in  
Maryland*

*Maryland Association of  
Area Agencies on Aging*

*Maryland Catholic  
Conference*

*Mental Health  
Association of Maryland*

*Mid-Atlantic LifeSpan*

*National Association of  
Social Workers,  
Maryland Chapter*

*Presbytery of Baltimore*

*The Coordinating  
Center*

*MSCAN Co-Chairs:  
Carol Lienhard  
Sarah Mücke  
410-542-4850*

## **Testimony in Support of Senate Bill 676 – Tax Assistance for Low-Income Marylanders - Funding Senate Budget and Taxation Committee February 14, 2024**

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing, health, and quality of care needs of Maryland's low and moderate-income seniors.

MSCAN recognizes the challenges that come with aging and limited financial resources and therefore supports Senate Bill 676. This legislation would distribute abandoned property funds to the Tax Clinics for Low-Income Marylanders Fund and allocate \$800,000 in the annual budget for the CASH Campaign of Maryland to award grants for providing essential tax assistance through mobile tax clinics.

Many seniors, especially those on fixed incomes, face difficulties navigating the complexities of tax systems and are often unaware of available assistance programs. The Tax Clinics for Low-Income Marylanders Fund provides a lifeline for seniors who need guidance and support understanding their tax obligations and maximizing available benefits. Allocating abandoned property funds to this fund is a compassionate and practical solution to addressing the unique needs of the senior population.

Furthermore, we commend the proposal to allocate \$800,000 in the annual budget for the CASH Campaign. This financial support will enable the CASH Campaign to expand its reach through on-demand and mobile tax clinics, ensuring that seniors who may have mobility challenges or reside in underserved communities can still access vital tax assistance services. This approach is particularly crucial for our senior population, and it recognizes the diverse circumstances and needs of seniors across Maryland.

Thank you for your consideration of this legislation, we respectfully request that you support SB 676.

# **SB676 - Written Testimony by Comptroller Lierman -**

Uploaded by: Brooke Lierman

Position: FWA

## 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.~~