

Income Tax - Individual Income Tax Credit Eligibility Awareness Campaign

HB845 / SB1105

The General Assembly has implemented numerous personal income tax credits for the benefit of Maryland taxpayers. Many of the most impactful tax credits, particularly those aimed at supporting children, families, and seniors, are underutilized. Data indicates that effective outreach and education resources could help to significantly shrink the gap between those eligible for tax credits and those claiming them.

What this bill does: This bill creates a reoccurring appropriation of \$300,000 to support targeted outreach and education on personal income tax credits. Some example credits that would be eligible for outreach and education under this bill include the Earned Income Tax Credit, the Child Tax Credit, and the Senior Tax Credit.

Why this bill is important: With the implementation of this bill, the State of Maryland will be investing resources to ensure we can alert likely eligible Marylanders of their ability to claim personal income tax credits. The tax credits targeted for outreach are for potentially vulnerable populations including children, seniors, and low-income Marylanders. These are critical resources that will help Marylanders to pay their bills, feed their families, save for needed expenses or education and more.

Other states, including Illinois, Virginia, and California have proved that these investments in outreach can close the gap between those eligible and those claiming these credits. Even with a relatively modest investment, compared to California's \$20 million annual expenditure, Maryland could make significant inroads to help Marylanders gain access to these important lifelines.



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