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**SB 1105 Income Tax – Individual Income Tax Credit Eligibility Awareness Campaign
Senate Budget and Taxation Committee
FAVORABLE
February 29, 2024**

Good afternoon, Chair Guzzone and members of the Senate Budget and Taxation Committee. I am Tammy Bresnahan, Senior Director of Advocacy for AARP MD. AARP Maryland advocates for the more than two million Marylanders age 50 and older is in support of SB 1105 Income Tax – Individual Income Tax Credit Eligibility Awareness Campaign. We thank the Comptroller for bringing SB 1105 to the General Assembly.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

SB 1105 requires the Comptroller to implement and administer an income tax credit eligibility awareness campaign to identify and encourage individuals to apply for income tax credits. It authorizes the Comptroller to enter into agreements with other State agencies to conduct the awareness campaign; and requires the Governor to include in the annual budget bill an appropriation of \$300,000 for the awareness campaign.

For some background and why AARP supports this bill beginning February 1 and continuing through April 15, AARP Foundation is providing in-person tax assistance and preparation through its Tax-Aide program — and it is completely free.

Since 1968, AARP Foundation Tax-Aide has provided free tax help to over seventy-eight million taxpayers, with a focus on older adults with low to moderate income. Tax-Aide volunteers are located nationwide and are trained and IRS-certified every year to make sure they know about and understand the latest changes and additions to the tax code.

In 2022, 774 AARP Foundation Tax-Aide volunteers helped more than 40,210 Maryland residents claim \$27,520,582 in federal refunds and \$2,751,085 state refunds at 127 sites in Maryland, including senior centers, libraries, and other convenient locations.

Taxpayers who used AARP Foundation Tax-Aide avoided tax preparation fees and pitches for high-interest tax credit or refund loans. The program is offered to all Marylanders 50 and over. AARP membership is not required.

Tax credits and deductions are two ways to reduce tax liability. Tax credits directly reduce the amount of taxes owed, dollar-for-dollar. They benefit all those who owe tax. If the credit is refundable, people can receive a tax refund even if the benefit exceeds the amount of their tax liability.

Some of these tax preferences are intended to encourage certain types of activity. Or they may provide relief for people in certain situations including the medical expense deduction and the senior tax credit.

Many families/individuals that are newly eligible for these benefits also rely on other government benefits. Outreach from state and local agencies and other community partners is one of the most effective ways to get families enrolled. A simple text or email to benefits recipients can help families access millions of dollars. The goal should be for governments to reach all potentially eligible individuals and to collaborate with community organizations to help spread the word about how to access these impactful tax benefits.

For these reasons, we respectfully request a favorable report for SB 1105. If you have questions or need further clarification, please contact me at tbresnahan@arp.org or by calling 410-302-8451