



Montgomery County Community Action Board Testimony
HB451: Tax Assistance for Low-Income Marylanders – Funding
February 8, 2024
SUPPORT

TO: The Honorable Vanessa Atterbeary; The Honorable Jheanelle Wilkins, Vice Chair; and Members of the Ways and Means Committee

FROM: Dr. Jeffery Johnson, Chair, Montgomery County Community Action Board

The Montgomery County Community Action Board (CAB), the County's local, state, and federally designated anti-poverty group, is in full support of HB451 and asks the Committee for a favorable report.

As the leading voice in Montgomery County working to address the needs of the County's most vulnerable residents through advocacy and education, the CAB is in full support of HB451 because it addresses the need for free tax services for lower-income residents by providing funding for free tax clinics and the CASH Campaign of Maryland.

Volunteer Income Tax Assistance (VITA) sites ensure that low-income residents have access to free tax preparation services, linking eligible households to valuable tax credits. This is critical because many low-income residents miss out on valuable tax credits that could have a significant positive impact on their families. It is estimated that 20% of Earned Income Tax Credit (EITC)-eligible households do not claim the credit. The maximum federal EITC this year is \$7,430, a substantial amount that could help families pay their rent, pay down their debts, and address other needs.

HB451's support for the CASH Campaign of Maryland will have a positive impact on VITA programs across the state, including the Montgomery County Community Action Agency's program, which completed 1,946 tax returns for lower-income County households last year. The agency's program, which was supported by 55 volunteers serving 2,820 volunteer hours, had a total free tax impact of \$7 million. Because the CASH Campaign of Maryland already has an established relationship with VITA programs, providing technical support, training, and grants, in addition to overseeing the Maryland Community Fellows Program the places college students at VITA programs, HB451 could expand their capacity. Our own agency for example has greatly benefited from a CASH Campaign grant that is supporting a largescale text messaging campaign. We have also been fortunate to have CASH Fellows placed at our VITA program for many years.

The CAB strongly supports HB451 and asks the Committee for a favorable report.