



Testimony in Support of HB 451

Tax Assistance for Low-Income Marylanders - Funding
Ways & Means Committee

02/06/2024

Dear Honorable Chair Atterbeary and Members of the Committee,

CASA is pleased to offer favorable testimony in strong support of HB 451, Tax Assistance for Low-Income Marylanders - Funding. CASA is a national powerhouse organization building power and improving the quality of life in working-class: Black, Latino/a/e, Afro-descendent, Indigenous, and Immigrant communities.

With a membership of over 155,000 members, CASA creates change with its power-building model blending human services, community organizing, and advocacy in order to serve the full spectrum of the needs, dreams, and aspirations of members. For nearly forty years, CASA has employed grassroots community organizing to bring our communities closer together and fight for justice, while simultaneously providing much-needed services to these communities, helping to ensure that low-income immigrants are able to live rich and full lives.

One such service is CASA's free tax preparation, which is provided at Volunteer Income Tax Assistance (VITA) sites across Maryland in Prince George's County, Montgomery County, and Baltimore City. In these sites, IRS-certified volunteers prepare over 1,200 high-quality federal and state tax returns for low-income taxpayers each year.

The majority of the taxpayers served at CASA's VITA sites are immigrants, many of whom speak limited English and are new to the tax system in the United States. As such, they are more vulnerable to unethical professional tax preparers. When these taxpayers have access to trustworthy tax assistance they are able to file their taxes accurately without the risk of being taken advantage of.

Importantly, the taxpayers served by VITA sites are often eligible for refundable tax credits, like the Earned Income Credit and the Child Tax Credit, which provide crucial financial assistance to working families. Free tax preparation means this assistance can go directly to the people who need it, without a portion being taken by a paid tax preparer. VITA sites are also at the forefront of raising awareness about these tax credits, helping to increase the number of taxpayers that claim them, thus making them more effective in their intended purpose.

HB 451, Tax Assistance for Low-Income Marylanders - Funding is key legislation that ensures more taxpayers in Maryland will have access to free and trustworthy tax preparation services. Current funding for VITA sites is very limited. Nationwide, VITA sites prepare 2.5 million returns, when more than 18 million US households make less than \$64,000, the income eligibility threshold for a VITA Site. With more funding, more low-income taxpayers will have access to this free and high-quality service, which provides financial inclusion to the most vulnerable populations.

CASA respectfully urges that the Committee **issue a FAVORABLE report on HB 451.**