



**Testimony Concerning HB 1047 –
Earned Income Tax Credit - Expansion
Submitted to the House Ways & Means Committee
March 1, 2016**

Position: Support

Maryland Family Network supports HB 1047, which would expand eligibility for the earned income tax credit. In so doing, the bill will help low- and moderate-income workers maintain a place in the world of work and build a more secure financial future for themselves.

Maryland Family Network (MFN) has worked since 1945 to improve the availability and quality of child care and other supports for children and families in Maryland. During recent decades, MFN has worked to ensure that all eligible Marylanders know about the EIC and know how to claim it.

Although the federal EIC and the State EIC provide income support for Marylanders, many workers and families still struggle to make ends meet. The EIC is one of the nation's most powerful tools for alleviating poverty. In 2010, nationwide, the EIC lifted 6.3 million people out of poverty, including 3.3 million children. In addition to helping those living below the poverty level, the EIC assists those living slightly above the poverty level but still on very low incomes.

Earned income credits reward people who are making the effort to find and hold jobs. And they help make low-wage jobs a viable alternative to welfare. The added income boost from the EIC can make it possible to obtain the essential support and logistics required to hold a job, such as transportation and reliable child care.

Moreover, the *refundable* EIC, which is addressed in HB 1047, helps those workers earning the very lowest wages – wages so low that the workers have little or no tax liability and therefore cannot make use (or full use) of a non-refundable tax credit.

MFN urges your favorable consideration of HB 1047.