

**TESTIMONY ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH ON
BILL 14-21, FINANCE – WORKING FAMILIES INCOME SUPPLEMENT - AMENDMENTS**

Good afternoon Council President Hucker, Vice-President Albornoz and Councilmembers, for the record my name is Mike Coveyou, Director of Finance. It is my pleasure to appear before the Council on behalf of the County Executive to provide brief testimony on Bill 14-21 (the “Bill”). The County Executive supports this bill, and thanks the County Council for taking it up in a timely manner.

On March 5, 2021, the Maryland General Assembly enacted Senate Bill 218 - Child Tax Credit and Expansion of the Earned Income Credit, which made filers using an Individual Taxpayer Identification Number (ITIN) eligible for State Earned Income Tax Credits (EITC or EIC) for the first time. Before March only filers using social security numbers were eligible for EICs on their Maryland returns. SB218 did not change the other eligibility requirements or calculations pertaining to a claim for this credit, and not all filers using an ITIN will be eligible for the expanded credit. The expanded Maryland EICs is available in tax years 2020, 2021, and 2022.

Bill 14-21 amends the County Code to allow County taxpayers who file with ITINs to claim the County’s supplemental EIC, which is known as the Working Families Income Supplement (WFIS Program). It is well known that Earned Income Tax Credits programs in the US serve to lift more people out of poverty than any other program, save Social Security. This bill extends the County’s WFIS Program to those County residents who heretofore have been ineligible for these tax credits because they are not citizens. The WFIS Program reduces poverty among our most vulnerable citizens, many of whom are people of color, and the Program therefore serves to foster racial justice and social equity.

This expansion of the WFIS Program would be the largest since its inception, though it is temporary, lasting for three fiscal years (the length of time the State expansion is effective). The cost of the expansion is difficult to forecast, but the current estimate is that it could cost \$15 million a year for three years. The cost will depend on how many County residents who file with ITINs are eligible and also file for the State EITC, as the WFIS Program is a match of the State EITC. Because the State of Maryland shifted the filing deadline for 2020 income taxes from April 15th to July 15th, we will not know the FY22 cost of the WFIS Program until later than usual (normally the State Comptroller provides that information mid-July). The Executive’s recommended budget contained \$5 million for ITIN EITC and on behalf of the Executive the Council President recently introduced a supplemental for an additional \$5 million.

The WFIS Program is one of the most successful anti-poverty tools that the County possesses. Expanding the Program to immigrants recognizes the contribution they make to our society and provides stability for those who are among our most vulnerable neighbors. On behalf of County Executive Elrich, I thank you for considering these thoughts, and request that you pass Bill 14-21.