



LEAGUE OF WOMEN VOTERS® OF MARYLAND, INC.

TESTIMONY TO HOUSE WAYS AND MEANS COMMITTEE

SB 840 INCOME TAX – RATES, PERSONAL EXEMPTIONS, AND EARNED INCOME TAX

POSITION: SUPPORT WITH AMENDMENTS

BY: NANCY SORENG and BARBARA SCHNACKENBERG, CO-PRESIDENTS

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The League of Women Voters is a nonpartisan organization that works to increase understanding of major public policy issues and influence public policy through education and advocacy. The League believes that one of the goals of social policy should be to reduce poverty and promote self-sufficiency for individuals and families.

Senate Bill 840 as amended and passed by the Senate, couples a significant improvement in Maryland's Earned Income Tax Credit that will help Maryland's working poor with tax reductions primarily for the wealthy that will cost over a half billion dollars in the next five years. Those additional tax cuts will more than double currently projected future deficits, and require cuts in current programs and spending as they phase-in.

Cutting income tax rates for people with incomes over \$100,000 as the amended SB 840 proposes, will cost \$370 million over five years. This is money that could be better spent on our education system, improving highways and transit systems, or making other investments that would actually boost the state's economy. We ask that you refrain from giving tax breaks to those who need them least, at the expense of hard working Marylanders and our state's future.

The League believes that expanding the EITC as proposed in this bill would help to promote self-sufficiency and reduce poverty among Maryland's low income working citizens. We urge the House Ways and Means Committee to amend SB840 to pass a clean Earned Income Tax Credit (EITC) expansion for young workers and remove the costly amendments that would provide tax breaks for the wealthy.