

News Release

Comptroller Brooke Lierman Gives Opening Remarks at Bipartisan Policy Center Conversation on Earned Income Tax Credit

Comptroller emphasizes expanded tax credit eligibility and highlights Maryland's progress to increase number of people claiming EITC

ANNAPOLIS, Md. (January 29, 2024) — Comptroller Brooke Lierman joined the Bipartisan Policy Center (BPC) in Washington, D.C., Friday morning to share how low- to moderate-income families benefit from the Earned Income Tax Credit (EITC) in Maryland.

Maryland is one of more than 30 states that has an earned income tax credit on top of the federal tax credit with more than 451,000 Marylanders claiming about \$448 million in state credits last year.

“The Earned Income Tax Credit is a tool – a tool that has consistently demonstrated its ability to reduce poverty and help build economic mobility,” Comptroller Lierman shared with the audience. “Data shows that the earned income tax credit – the simple act of giving back some amount of money in a lump sum payment – has an incredible effect on helping people survive and begin to imagine a life without living paycheck to paycheck.”

Comptroller Lierman provided opening remarks to a conversation between former House Speaker, Paul Ryan, JP Morgan Chase Chairman and CEO, Jamie Dimon. The panel, moderated by BPC President and CEO Margaret Spellings, focused on the strengths of the EITC, and ways to make the credit more effective. Jason Fichtner, BPC’s Chief Economist also spoke during the event.

Comptroller Lierman explained that the EITC supports access to resources that help improve taxpayer circumstances in life-changing ways, including paying for childcare, continued education, and reliable transportation.

In Maryland, Baltimore City, along with Baltimore, Montgomery, and Prince George’s counties, saw the largest number of people claiming the EITC. Meanwhile, four of the

five counties with the highest percentage of returns claiming the refundable earned income tax credit are located on Maryland’s Eastern Shore.

In recent years, Maryland has expanded eligibility for the state EITC to childless individuals under the age of 25, and individuals who file using an individual taxpayer identification number, many of whom are immigrants. Maryland has also increased the size of the tax credit by increasing it from 28% to 45% of the federal earned income tax credit.

The IRS estimates that 4 or 5 eligible taxpayers claim the federal EITC. In Tax Year 2021, approximately 302,000 Maryland taxpayers who were eligible for the state EITC did not claim it on their return.

Comptroller Lierman emphasized the importance of partnerships and continued outreach to ensure eligible taxpayers apply for the federal and state EITC.

“We have strong and successful partnerships with nonprofits, like the CASH Campaign and AARP that work with low-income individuals to demystify the tax filing process, provide access to free and affordable filing options, and connect those taxpayers with resources to support their financial well-being and empower them for the long-term,” Comptroller Lierman said.

“At a time when economic mobility is increasingly challenged, the EITC is one policy that is truly helping people move into the middle class. The EITC is a strong investment for a more equitable, more resilient, and more prosperous economy – so we as a nation can reach our full potential. States and the federal government should continue to support and expand programs like this to make them more accessible and inclusive in ways that will benefit our country.”

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