

2019 LEGISLATIVE AGENDA

Local

Municipal Financial Inclusion: Baltimore City suffers from the impacts of tremendous wealth disparities. Baltimore’s black residents are three times more likely than their white neighbors to be unemployed, while white workers earn twice as much. Overall, black and Latinx households in Baltimore are disproportionately harmed by local and national trends in unemployment, income, and criminal justice policies ([Prosperity Now](#), 2017).

CASH supports Baltimore City in developing a [municipal financial inclusion strategy](#). Such a strategy can promote access to safe and affordable banking, free, high-quality tax preparation, and credit building in order to reduce the City’s racial wealth gap. CASH draws on research from the [Cities for Financial Empowerment Fund](#) for its work in Baltimore City. The CFE Fund supports coordination, accountability, and ongoing monitoring across multiple City agencies, nonprofit, philanthropic, and financial partners.

Supporting YouthWorks: We work hard to support Baltimore City’s YouthWorks Program by offering a Money Mentor Initiative, which is a peer-to-peer financial education program to ensure YouthWorks participants leave with the financial tools they need to succeed in the future. Although CASH runs this Initiative through private funding, we plan to support robust state and local funding for YouthWorks in the upcoming Legislative Session.

State

Making Work Pay for Single Filers: The Earned Income Tax Credit (EITC) is one of Maryland’s most effective anti-poverty tools. Unfortunately, the credit does not benefit single filers in the same way it helps lift up families with children. Those left out include young veterans, youth aging out of foster care or transitioning out of homelessness, single men struggling to remain engaged in the workforce, and noncustodial parents.

We propose expanding Maryland’s EITC for single filers by:

- Increasing the income phaseout to 200% of the federal poverty level, and
- Matching the state EITC to 100% of the federal EITC (up to \$529!).





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Increasing Access to Free Tax Preparation

- **FREE TAX PREP AND EITC OUTREACH:** In Maryland, the average taxpayer pays \$273 to get their taxes done, and the average refund (EITC). We support expanding awareness of the Earned Income Tax Credit (EITC) and free tax preparation to those who are likely to qualify. Check out [this Baltimore Sun editorial](#) on the important of municipal investment in EITC outreach and free tax prep!
- **PROTECTING MARYLAND TAXPAYERS:** People often live and work in different states, which means sometimes out-of-state paid tax preparers file Maryland tax returns. We call for the regulation of out-of-state tax preparers when preparing Maryland state returns in order to help protect those who pay taxes in Maryland.
- **TAX PENALTY FORGIVENESS:** Given recent federal tax changes, CASH believes taxpayers should not be penalized for underpayment of 2018 taxes. We are grateful to hear the IRS heard our voice, and the voices of other advocates, and WILL waive tax penalties in 2019.

Stopping the Poor from Paying More

- **REGULATION OF HIGH-COST LENDING:** While Maryland has effectively outlawed payday lending, by capping interests rates at 33% for short-term, high interest loans. However, local and out-of-state lenders continue to find loopholes in order to offer loans that trap consumers in cycles of debt. We will continue the fight to keep predatory short-term, small-dollar loans out of Maryland.
- **DEBT EXEMPTION REFORM:** CASH calls for the state to update its outdated debt exemption laws so that families can at least live at the poverty level while paying down their debts. Learn more from MCRC [here](#).
- **AUTO INSURANCE AFFORDABILITY:** We plan to work with our partners to eliminate non-driving related factors for determining auto insurance rates and establish a low-cost auto insurance program in Maryland. [Click here](#) for more information from MCRC.

Higher Education

- **CHILDREN'S SAVINGS ACCOUNTS:** As of 2016, Maryland has a program known as "[Save4College](#)" which provides individuals with up to \$500 in their 529 college savings account when it is opened. Currently, the vast majority of those engaged in the program are higher-income, white households. CASH is working with private, public, and community stakeholders across Baltimore City to improve access and outreach for low-income, historically marginalized, particularly black families have equal access to the Save4College Program.

Improving Access to Savings

- **ABLE ACCOUNT ACCESS FOR FOSTER YOUTH:** ABLE Accounts, which are tax-advantaged savings accounts for individuals with disabilities and their families. CASH hopes to improve the process for eligible foster youth to open ABLE Accounts.



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Federal

Federal Efforts to Improve Financial Capability

- MAKING VITA PERMANENT: The [Taxpayer First Act](#) includes language that would make the Volunteer Income Tax Assistance (VITA) Program permanent. CASH also supports securing VITA funding at \$20 million so we can add to the 23,000 individuals we serve each year in Maryland.
- PROTECTING SNAP: CASH supports the bipartisan Senate proposal to reform SNAP, which does not reduce or eliminate the benefits of the Program. According to the USDA, 10% Maryland households experience food insecurity, while 17% of households with children are food insecure.
- CREDIT ACCESS AND INCLUSION: The [Credit Access and Inclusion Act](#) can help bring marginalized communities into the mainstream credit reporting system in order to build credit and build assets. While CASH supports this policy, we also want to ensure that it works for all low-income communities including those in public housing, and those who might still struggle to make timely payments due to income volatility.
- PROMOTING SAVINGS AT TAX TIME: CASH calls for the passage of [Refund to Rainy Day Savings Act](#) to assist low-income taxpayers in saving their tax refund.
- PROTECTING THE SAFETY NET FOR IMMIGRANT FAMILIES: CASH strongly opposes the proposed “Public Charge Rule” because it will push immigrant families further into poverty, and will prevent individuals from accessing services that are [essential for healthy living](#).

#DEFENDCFPB

- CASH supports a strong, independent [Consumer Financial Protection Bureau](#), which has brought back \$11.8 billion in restitution to 29 million consumers who have been wronged by financial institutions and other bad actors ([U.S.PIRG](#), 2017).