Brooke E. Lierman Comptroller of Maryland



News Release

Comptroller's Office to Launch Income Tax Program to Assist Justice-Involved Marylanders

The Fresh Start Tax Payments Program will waive interest and penalties for eligible individuals who follow payment plans

ANNAPOLIS, Md. (July 1, 2025) — The Office of the Comptroller is launching the Fresh Start Tax Payments Program in Maryland to assist eligible returning residents and currently incarcerated individuals in paying their tax debt.

The program, enabled by the passage of <u>Senate Bill 295</u>, sponsored by **Senator Cory McCray (District 45, Baltimore City)**, and <u>House Bill 634</u>, sponsored by **Delegates Bernice Mireku-North (District 14, Montgomery County)** and **Greg Wims (District 39, Montgomery County)**, creates a specialized tax resolution program for qualified justice-involved Marylanders. Currently, the Office of the Comptroller administers similar initiatives, including the <u>Offer-in-Compromise</u> program and other programs, that provide flexible payment options for eligible taxpayers.

Comptroller Brooke E. Lierman testified in support of the legislation creating the program during the 2025 legislative session. In her testimony, she emphasized the importance of improving Maryland's existing tax system and administering the tax code equitably to better serve Marylanders of all backgrounds, as well as deploying agency resources in ways that positively impact individuals and families.

"I am focused on creating pathways to economic opportunity for all Marylanders. This program is an additional tool to assist individuals who are paying their debt to society but are saddled with unnecessary tax debt that penalizes them long after their sentence," Comptroller Lierman said. "It will help them rebuild their lives and enjoy a more economically stable future."

The Fresh Start Tax Payments Program will enable qualified justice-involved individuals to pay their unpaid income taxes over a ten-year period as part of a payment plan. The agency will waive interest and penalties for individuals who make payments in line with their agreement.

"Justice-involved individuals shouldn't be trapped by tax debt just because they were behind bars. Senate Bill 295 opens a path to reconciliation — not punishment — giving returning citizens a real shot at rebuilding their lives," **Senator McCray** said. "I'm proud to have championed this legislation after Dr. Carmen Johnson brought the issue to my attention. With leadership from Comptroller Lierman and the CASH Campaign, we turned a bold idea into real policy. This is what it looks like to lead with both fiscal discipline and humanity."

The House sponsors of the bill also expressed excitement for the opportunities this program will create for returning citizens and the state.

"This tax reconciliation program is a game changer for justice-involved individuals. Allowing for tax payment plans and waiving interest and penalties for eligible individuals removes hurdles to reentry and creates pathways for justice-involved individuals to further contribute to our Maryland economy," **Delegate Mireku-North** shared.

"I am confident that this legislation will remove financial burdens and help those who have served their sentence as they re-integrate into society," **Delegate Wims** added.

The Office of the Comptroller plans to collaborate with the Department of Public Safety and Correctional Services, the Maryland Judiciary, as well as other agencies and organizations, such as the CASH Campaign, to promote and increase awareness of the program, reaching as many eligible individuals as possible.

"By clearing tax debt for formerly incarcerated individuals, we offer them a crucial opportunity for economic advancement. This step not only alleviates the burden of overwhelming debt but also empowers people to rebuild their lives, seek stable employment, and contribute to their communities," **Robin McKinney, CEO, CASH Campaign of Maryland**, said. "Economic mobility should be a possibility for everyone, regardless of their past, and eliminating tax debt is a key part of that process."

"Helping Ourselves to Transform, alongside nine dedicated interns, is proud to have contributed to the drafting of the Maryland Fair Taxation for Justice Involved Individuals Act. Too many returning citizens face insurmountable financial burdens due to outdated tax policies," said **Carmen Johnson, founder of Helping Ourselves Transform**, an organization focused on social justice and civic engagement. "This legislation is a critical step toward economic justice and long-overdue relief. It was deeply encouraging that the Maryland Comptroller immediately recognized its significance. We hope this bold, innovative move by Maryland inspires the rest of the country to follow suit."

In the coming months, the Office of the Comptroller will develop an application and adopt regulations outlining the criteria for eligibility.

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