Testimony in Support of MA Expansion of the Earned Income Tax Credit (EITC)

David A. Bryant
Director of Advocacy
Massachusetts Association of Community Development Corporations
to the
Joint Committee on Revenue
Massachusetts General Court

July 23, 2019

Mr. Chairman and Members of the Committee, my name is David Bryant, and I am the Director of Advocacy, Massachusetts Association of Community Development Corporations (MACDC). Thank you for the opportunity to express MACDC’s strong support for the collective efforts of Rep. Marjorie Decker, Sen. Jamie Eldridge and so many of your colleagues to expand Massachusetts’ Earned Income Tax Credit (EITC). I also wish to thank members of the legislature for your support of community economic development priorities in recent years, and through the recently passed FY2020 Budget.

MACDC is an association of mission-driven community development organizations dedicated to working together and with others to create opportunities for people of diverse incomes and backgrounds to access housing that is affordable, benefit from economic opportunities, and fully participate in the civic life of their communities. In 2018, ten of our CDC members that provide individual financial-assistance support were able to help 5,457 people claim $3,736,096 in EITC benefits.

Today, the Joint Committee on Revenue will receive testimony on S.1646 and H.2434, “An Act improving the earned income credit for healthier-working families,” that would increase the state’s funding for EITC from its current level of 30-percent to 50-percent of the federal EITC contribution level for all eligible recipients. Our support for the increased state-level contribution is based on a few simple facts.

One of our core goals is to promote asset development through policies that enable families and individuals to access greater economic opportunities by growing and protecting their financial assets and capabilities. By increasing the state’s EITC contribution, and with a greater emphasis on state agency outreach to all eligible participants, the economic benefits to the families we serve will increase significantly. In addition, we will see positive health, education, and social outcomes for lower-income workers and their children. According to the research of the Center for Budget and Policy Priorities, the EITC encourages people to work more hours, building long-term earnings and future Social Security retirement benefits for program participants. The studies show a significant increase in student achievement for children in families receiving EITC support, notably higher high school graduation and college attendance rates.

Our members are dedicated to creating places of opportunity across the state where all people can live with dignity while participating in and benefitting from our Commonwealth’s economy. We respectfully request the committee to report favorably S.1646 and H.2434, legislation that will expand the state’s contribution to EITC as well as to direct the Department of Revenue to engage in a comprehensive promotion and outreach campaign, enable taxpayers with an Individual Tax Identification Number (ITIN)
to access the state credit, and direct DOR to provide critical resources and support to organizations operating Volunteer Income Tax Assistance (VITA) sites to ensure that all qualified working families may obtain these enhanced benefits.

Respectfully submitted,

David A. Bryant
Director of Advocacy
Massachusetts Association of Community Development Corporations
15 Court Square, Suite 600
Boston, MA 02108

davidb@macdc.org
617.379.5927