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Written Testimony
Submitted to the Joint Committee on Revenue
Boston, MA
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Dear Chairman Brady, Chairman Kaufman, and Members of the Joint Committee on Revenue,

Children's HealthWatch is pleased to submit this testimony in support of Senate bill 1521 and House bill 1504, "An Act to improve the Earned Income Tax Credit for healthier families". As a network of pediatricians and public health researchers committed to improving the health of young children, we know that the Earned Income Tax Credit (EITC) is good medicine for our patients and their families. Research shows that EITC reduces the risk of pre-term births, low birth weight babies, improves children's health, helps children perform better in school and may even increase life expectancy.^{1,2}

Because EITC boosts health, it may also reduce health care costs. For example, studies have shown that a \$1,000 increase in EITC reduces rates of low birth weight and preterm birth by 8-15%. Health care costs for low birth weight/pre-term infants are more than 25 times the average cost of hospital stays for uncomplicated newborns—and those born pre-term have increased odds of ongoing health and developmental challenges, which lead to higher expenditures in health care and education. Given these effects, if EITC was a drug it would be in every pharmacy across the state.

Like any good medicine, however, we must make sure that the medicine is available to all who need it, the dosage is right and the prescription can easily be filled. Here in the Commonwealth, we have an opportunity to improve and strengthen EITC by increasing the benefit from 23 percent to 50 percent of the federal level. This increase would provide the proper dosage for improving health outcomes across the state. We should also make sure that abandoned spouses and survivors of domestic violence, who would otherwise be eligible for the credit, are able to safely receive EITC. This support would provide an important resource for these families fleeing violence. And, finally, the state should create a comprehensive outreach strategy that to ensure that no eligible taxpayer fails to claim their credit.

S.1521 and H.1504 do just that. These bills will increase the state EITC to 50 percent, ensure survivors of domestic violence are able to access the credit, and improve outreach so those who are eligible for EITC receive it.

We urge the committee to favorably report out this important piece of legislation for healthier families.

Thank you for considering our request.

Sincerely,

Children's HealthWatch

¹ Hoynes, H. W., Miller, D. L., & Simon, D. (2012). Income, the Earned Income Tax Credit, and Infant Health. Working Paper 18206, National Bureau of Economic Research, Cambridge, MA.

² Muennig, P.A., Mohit, B., Wu, J., Haomiao, J., Rosen, Z. (2016). Cost Effectiveness of the Earned Income Tax Credit as a Health Policy Investment. *American Journal of Preventative Medicine*. Vol. 51, Issue 6, Pages 874-881.