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Testimony
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Boston, MA
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Chairman Brady, Chairman Kaufman, and Members of the Joint Committee on Revenue:

Thank you for this opportunity to provide testimony in support of S.1675/H.2587, "An Act to support Voluntary Income Tax Assistance Sites and expand access to the Earned Income Tax Credit". I am John Cook, an Associate Professor of Pediatrics at Boston University School of Medicine, Senior, Research Scientist and a founding Principal Investigator at Children's HealthWatch. Based at Boston Medical Center, Children's HealthWatch is a research and policy center whose mission is to improve the health and development of young children by informing policies that address and alleviate economic hardships. My academic credentials are in economics and demography.

The Voluntary Income Tax Assistance (VITA) program is an example of civic engagement and public service for the common good, or common-wealth, at its best. Its aim is to help fellow citizens of the Commonwealth fulfill their obligations to their families, and to the state and nation, and to help the Commonwealth fulfill its obligations to its citizens and their families, by assisting in preparation of income tax returns. One of the benefits we all derive from the VITA program is that it helps filers apply for the Earned Income Tax Credit (EITC).

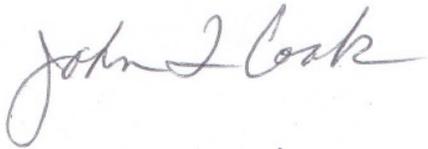
At Children's HealthWatch we believe, as stated by Supreme Court Justice Oliver Wendell Holmes, Jr. in 1927, and expressed in varying language by many others, that "Taxes are what we pay for civilized society," and they should not be shirked by any person or incorporated body. We also recognize that the EITC, whose costs we all share, is an extraordinarily effective way to support civilized society and improve the Commonwealth, and the common good.

According to the Center on Budget and Policy Priorities, in tax year 2015, the average EITC for families with children was \$3,186. Together, the federal and state EITC provided approximately \$966 million to Massachusetts' tax filers in 2015, most of which was quickly used for expenditures on goods and services within the state. Research in Baltimore, MD found that each dollar of EITC benefits generated \$1.44 in economic activity within that state. Similar multiplier effects in Massachusetts imply that nearly \$1.4 Billion in economic activity was generated by EITC within the state that year.

The EITC has been shown to be a very effective way to reward and encourage work while lifting families with children out of poverty. However due to uncertainty about eligibility, and other reasons, as many as 20% of eligible filers nationwide do not apply for the credit, and many who do unnecessarily pay large fees for assistance in filing, or exorbitant interest rates on tax refund loans. Supporting the VITA

program by reporting out this bill favorably will ensure that eligible filers in the Commonwealth are able to apply for the EITC and receive the maximum benefits they are eligible to receive. Most, if not all, of those EITC dollars will be spent in the Commonwealth, and with their multiplier effect, will generate even greater economic activity, and more tax revenue for the state. That revenue, together with reductions in healthcare costs that accompany the EITC, imply a very favorable Return on Investments in the VITA program. Thank you.

Respectfully,

A handwritten signature in cursive script that reads "John T. Cook". The signature is written in black ink and is positioned above the printed name.

John T. Cook, PhD, MAEd