April 9, 2024

The Honorable Karen E. Spilka
Senate President
State House, Room 332
Boston, MA 02133

The Honorable Michael J. Rodrigues
Chair, Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

Dear Madam President and Chair Rodrigues:

On behalf of low income taxpayers and 105 organizations across Massachusetts, the undersigned write today to ask you to improve tax equity by extending the state Earned Income Tax Credit (EITC) to all income-eligible households, whether they file tax returns with Individual Taxpayer Identification Numbers (ITINs) or Social Security Numbers (SSNs).

In 2023, the Legislature, under your leadership, passed a landmark expansion of Massachusetts’ EITC. As a result, eligible low- to moderate-income workers and their families are receiving a 10 percent increase in their state credit this tax season, with a maximum additional credit of $892 compared to last year. This permanent increase supports our local and regional economic health and invests in thousands of working families across the Commonwealth. It is a critical step toward a more equitable state tax code. We thank you for this improvement and for your continued support for Volunteer Income Tax Assistance (VITA), as the IRS-certified volunteer tax preparers at those sites help working people maximize the expanded EITC and family tax credits.

The recent EITC expansion, designed to uplift low-wage workers, currently leaves people behind when it should treat all workers equally. As you prepare your fiscal year 2025 budget, we respectfully request your continued leadership on tax equity by extending eligibility for the EITC to income-eligible working immigrants who file taxes with an ITIN. Immigrants who work in Massachusetts are a vital part of the economy. The Massachusetts Budget and Policy Center estimates that extending eligibility would cost $22.6 to $28 million and support up to 76,000 Massachusetts residents in 26,000 households, depending on uptake.

The EITC excludes certain workers, undermining the effectiveness of the credit

The EITC boosts the income of working families, but currently leaves out many low-wage workers and their families. Immigrant or mixed-status families who live, work, and pay taxes in Massachusetts cannot receive the EITC if any member of the household is ineligible for a SSN. This leaves out more than 76,000 individuals in 26,000 households otherwise eligible for the EITC.

The Internal Revenue Service (IRS) issues ITINs to certain immigrants who are not eligible for a SSN but must comply with U.S. tax laws. ITIN holders are a large and vital part of Massachusetts’ workforce, performing crucial roles for many industries essential to our economy. These include health care, construction, service, and farming. ITIN workers are often undocumented, a status that would prevent them from obtaining a SSN. The Pew Research Center estimates that 5.5 percent of the Massachusetts workforce are undocumented immigrants.

Smart state tax policy should not reflect a broken immigration system
Many immigrants face years of waiting before they can obtain SSNs. The failure of immigration reform at the federal level results in a system riddled with backlogs and dead ends giving rise to many mixed-status families where some members have SSNs and others do not. Meanwhile, immigrants work, pay taxes, and become integral members of our local economies and communities. Despite being taxed in the same way as a taxpayer with a SSN, ITIN filers and their families are not eligible for many of the tax benefits that U.S. citizens can receive, including the EITC.

**EITC exclusion punishes U.S. citizen children whose parents file returns with ITINs**

Entire households are denied the EITC if just one of the taxpayers has an ITIN. This means that U.S. citizens living in mixed-immigration status households cannot benefit from the EITC. In Massachusetts, two-thirds of the excluded families, totaling between 14,200 and 17,300 households, are mixed-status. Many of these households include U.S. citizen children. If one spouse has a SSN and the other an ITIN, neither they nor their children will get the credit.

**EITC expansion will stimulate businesses and the economy in regions with large immigrant populations**

EITC payments are more than individual refunds. Benefits extend to the wider communities in which recipients live. Data show that payments are most often on necessities like food, supporting local businesses. In fact, the EITC was originally designed in 1975 to be a temporary economic stimulus measure. Efforts to expand eligibility and promote uptake are often, in part, to inject more dollars into local economies.

Research shows that the EITC improves the health and well-being of children and caregivers. Children in families receiving the EITC do better in school, are more likely to attend college, and earn more as adults. Receipt of EITC also reduces economic hardship, such as food insufficiency. The EITC stimulates local economies, benefitting entire communities. The exclusion of ITIN workers deprives Massachusetts of these full health and economic benefits.

**States have taken action**

While the federal EITC unfairly excludes workers who file taxes using an ITIN, ten states and the District of Columbia have corrected this inequity in their tax code by extending their state credit to ITIN filers. These include California, Colorado, Illinois, Maryland, Maine, Minnesota, New Mexico, Oregon, Vermont, Washington, and Washington DC. This represents approximately one-third of states with local EITCs.

**Massachusetts has previously decoupled its EITC eligibility from the federal credit, and showed commitment to including ITIN filers in state tax credit**

In 2017, Massachusetts policymakers created a new filing status to allow survivors of domestic violence and abandoned spouses to claim the state EITC without filing jointly with a partner. This demonstrated the administrative ease of decoupling the state and federal credit. Furthermore, ITIN filers are currently eligible for the Commonwealth’s newly expanded Child and Family Tax Credit, signifying the will to include immigrant and mixed-status families in our state tax benefits.

**Massachusetts has the opportunity to continue support of its immigrant workforce**

In recent years, Massachusetts enacted legislation to help residents, regardless of immigration status, to take full part in commerce and civic life. Laws providing access to drivers’ licenses and in-state tuition, for
instance, have opened opportunities that support employment and advance economic growth. **Expanding the EITC to ITIN filers and their families presents an additional opportunity for lawmakers who continue to seek policy solutions to address the workforce shortage and support new immigrants.**

**Improving health and equity in the Commonwealth**

The exclusion of ITIN workers deepens racial inequities. In Massachusetts, 93 percent of undocumented immigrants come from South America, Mexico and Central America, the Caribbean, Africa, and Asia. **Two-thirds have been in the U.S. for more than five years.** To highlight this exclusion affecting people of color in the Commonwealth, the Massachusetts Black and Latino Legislative Caucus co-hosted a briefing on ending the tax penalty against immigrant workers on March 14th, 2024.

In 2021, the Health Equity Task Force, created by Chapter 93 of the Acts of 2020, submitted its final report to the Massachusetts Legislature, **A Blueprint for Health Equity.** Within the report’s summary of Immediate and Intermediate Action, section 4.2.3 supports extending the state EITC to ITIN filers. The report states, “**Every one of these filers paid their share of state and federal income tax…** The state EITC should be available to all families who pay taxes.”

We thank the Legislature and Senate leadership for its recognition of the benefits of EITC demonstrated through its recent expansion. Ensuring that the EITC supports all income-eligible workers is critical to advance the aim of this expansion: to support the financial stability of our families and low-income workers. We respectfully request your continued leadership on tax equity by extending eligibility for the EITC to working immigrants who file taxes with an ITIN in the FY2025 budget.

Sincerely,

ABCD/Action for Boston Community Development

ACT Lawrence, Inc.

Actual Justice Roundtable of the Southern New England United Church of Christ

Alliance of Massachusetts YMCAs

Allston Brighton Health Collaborative

Amor Agape Servicios Comunitarios

Asian Community Development Corporation

Asian Outreach Center of Greater Boston Legal Services

Boston Children’s Hospital

The Boston Foundation

Boston Outdoor Preschool Network

Boston Tax Help Coalition
Boston Teachers Union (BTU)
Brazilian Women’s Group
Brazilian Worker Center
Brookline Equity Coalition
Cambridge Economic Opportunity Committee (CEOC)
Cambridge Health Alliance
Center for Public Representation
Central Massachusetts Housing Alliance
Children’s HealthWatch
Children’s League of Massachusetts
Chinese Progressive Association
Citizens’ Housing and Planning Association (CHAPA)
City of Somerville, SomerPromise
City of Somerville, Mayor Katjana Ballantyne
Codman Square Neighborhood Development Corporation (NDC)
Comunidades Enraizadas Community Land Trust, Inc.
Community Action Agency of Somerville, Inc.
Community Action Pioneer Valley
Community Economic Development Center, New Bedford
Community Servings
Compass Working Capital
Disability Law Center
Dominican Development Center, Inc.
Dragonfly Financial Solutions LLC
Ellis Early Learning
EMPath
Empowered and Dedicated to Edify the Nation, Inc. (EDEN)
EP Interpretation and Translation
Food Bank of Western Massachusetts
Fortaleza, Inc.
Greater Boston Food Bank
Greater Boston Legal Services
Greater Lawrence Community Action Council, Inc.
Groundwork Lawrence
Horizons for Homeless Children
Housing Families, Inc.
Immigrants’ Assistance Center, Inc.
Immigrant Family Services Institute (ISFI-USA)
Immigrant Service Providers Group/Health
Jewish Alliance for Law and Social Action
Jewish Family Service of Metrowest Massachusetts
Jewish Vocational Services, Boston
Jumpstart for Young Children
Justice at Work
La Colaborativa
Lynn Rapid Response Network
Massachusetts Association for Community Action (MASSCAP)
Massachusetts Association of Community Colleges
Massachusetts Association of Community Development Corporations (MACDC)
Massachusetts Budget & Policy Center
Massachusetts Coalition for the Homeless
Massachusetts Coalition for Occupational Safety and Health (MassCOSH)
Massachusetts Head Start Association
Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA)
Massachusetts Law Reform Institute
Massachusetts Public Health Association
Midas Collaborative
Medical-Legal Partnership Boston (MLPB)
Merrimack Valley Food Bank, Inc.
Metrowest Legal Services
Metrowest Worker Center - Casa
National Consumer Law Center
The Neighborhood Developers
Neighborhood Villages
One Family, Inc.
The People's Pantry
PACE, Inc. (People Acting in Community Endeavors)
Paula’s Barn, Inc.
Personal Disability Consulting, Inc.
Project Bread
Project HOPE Boston Inc.
Regional Environmental Council Inc.
RESULTS, Massachusetts
Rian Immigrant Center
Rosie’s Place
Safety Net Project of the Legal Services Center of Harvard Law School
SkillWorks
Square One (Springfield Day Nursery)
SomerViva: Office of Immigrant Affairs
St. Anthony's Food Pantry
Strategies for Children
StreetCred
Three Sisters
TOOTRiS Child Care On-Demand
Transition House
True Alliance Center, Inc.
UAW Region 9A
United Way of Massachusetts Bay and Merrimack Valley
Vietnamese American Initiative for Development (VietAID)
Women’s Money Matters
Worcester Community Action Council
Worcester County Food Bank
YWCA Cambridge

CC: Vice Chair Friedman and Vice Chair Comerford