



June 15, 2022

Re: VITA Funding in Fiscal Year 23 Budget Negotiations

Representative Aaron Michelwitz  
Chair, House Ways and Means  
State House, Room 243  
Boston, MA 02133

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

Representative Ann-Margaret Ferrante  
Vice Chair, House Ways and Means  
State House, Room 42  
Boston, MA 02133

Senator Cindy Friedman  
Vice Chair, Senate Ways and Means  
State House, Room 208  
Boston, MA 02133

Representative Todd Smola  
House Ranking Minority Member  
State House, Room 124  
Boston, MA 02133

Senator Patrick M. O'Connor  
Senate Ranking Minority Member  
State House, Room 419  
Boston, MA 02133

Dear Madam President, Speaker Mariano, and Honorable Conferees,

Thank you for the opportunity to submit a letter on behalf of the Healthy Families EITC coalition, a statewide nonpartisan network of advocates working to improve the health and well-being of Massachusetts families through an expansion of the state Earned Income Tax Credit (EITC) and supporting free tax preparation sites. Our 30-plus member coalition convened by Children's HealthWatch at Boston Medical Center and is comprised of a diverse array of community-based agencies, legal advocates, professional associations, civil rights organizations, and most importantly – Massachusetts workers and their families. As the Conference Committee considers the reconciliation of H.4701 and S.2915, "An Act making appropriations for the fiscal year 2023", **we urge you to include the House version of support for Volunteer Income Tax Assistance Sites (VITA) in line item (1201-0100), \$1.5 million.**

At VITA sites, often located at community-based organizations, trained volunteers provide free and competent tax return preparation services to low- and moderate-income families as well as individuals who are elderly, disabled, or have limited English proficiency. These volunteers offer a high-quality alternative to paid tax preparers, and ensure that taxpayers can claim and keep the full amount of tax credits which they have earned and are eligible for, including the EITC, Child Tax Credit (CTC), and the recently expanded state Household Dependent Care Credit. This is particularly important since refunds — which can make up as much as 30% of a low-income family's annual income — can be eroded by costly preparation fees (at an average of \$273 per tax return, [according to the National Society of Accountants](#)) and potentially predatory tax time financial products. Fortunately, since VITA services are free for households earning less than \$55,000 in annual income, this problem is avoided, and families are able to use more of their refund to cover essential and urgent needs, repay debt, and plan for the future.

In a typical year, over 30,000 Massachusetts residents are served by the 80 existing VITA sites, and the services that sites provide results in \$60M in tax credits for taxpayers – a low-cost and high return activity offering up a 60 to 1 return on investment. This number may be even greater now, as families have become newly eligible for the temporarily expanded federal CTC as well as Massachusetts' Household Dependent Care Credit, now available to families with no income.

Beyond the important role that VITA plays in helping low- and moderate-income households accurately file their taxes, VITA sites also offer financial education and link low-income taxpayers to other critical services, strengthening families and the local economy. Over the past two years, VITA programs across Massachusetts and the country quickly have worked to identify, plan for, and deploy alternative service delivery models of tax preparation to continue to serve their communities. The requirements for accessing the federal Economic Impact Payments resulted in a surge in demand for VITA services throughout 2020 and early 2021, particularly for non-filers and those in traditionally underserved populations required to file a tax return to access the payments. VITA programs quickly assessed the need to transform their program operations away from their traditional face-to-face services, and alternative service delivery options to the forefront as solutions for low-income filers. Similar surges appeared in the spring of 2021, as families underwent tax filing season and attempted to claim missed Economic Impact Payments or – for the first time for many without tax filing obligations – attempted to file taxes in order to claim the expanded CTC and/or Household Dependent Care Credit. It is critical that levels of funding for VITA sites in FY23 respond to this recent and anticipated continued increase in need.

Supporting the health and financial stability of families across our Commonwealth is necessary for its current and future prosperity and well-being. The Healthy Families EITC Coalition urges the Conference Committee **to include in the final report the House version of \$1.5 million to support VITA sites in line item (1201-0100)**. Even without the increased need from the pandemic, the current funding level already represents only a fraction of the costs of operating VITA sites and need across the state. Given the significant return on investment for this program and the growing demand for quality free tax assistance, we encourage you to prioritize funding for VITA sites at \$1.5 million in the final version of this bill.

Sincerely,

**The Healthy Families EITC Coalition**

ABCD/Action for Boston Community Development

Boston Children's Hospital

Boston Indicators

Boston Public Health Commission

Boston Tax Help Coalition

Brazilian Women's Group

Brazilian Worker Center

Children's HealthWatch

EMPath

Greater Boston Legal Services

Greater Lawrence Family Health Center

Groundwork Lawrence

Homes for Families  
Horizons for Homeless Children  
Jane Doe  
Jewish Community Relations Council  
Jewish Community Relations Council  
Jewish Vocational Services  
Massachusetts Association for Community Action (MASSCAP)  
Massachusetts Association of Community Development Corporations (MACD)  
Massachusetts Communities Action Network  
Massachusetts Essentials for Childhood Initiative  
Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA)  
Massachusetts Law Reform Institute (MLRI)  
Massachusetts Nonprofit Network  
Massachusetts Public Health Association  
Massachusetts Budget & Policy Center  
Massachusetts Public Research Interest Group (MASSPIRG)  
Metropolitan Area Planning Council  
Midas Collaborative  
NAACP, New England Area Conference  
National Consumer Law Center (on behalf of our low-income clients)  
New England United for Justice  
One Family, Inc.  
Project Bread  
StreetCred  
The Boston Foundation  
United Way of Massachusetts Bay and Merrimack Valley