



June 10, 2025

Re: VITA Funding in Fiscal Year 26 Budget Negotiations

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

Senator Michael 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 238
Boston, MA 02133

Senator Joanne Comerford
Vice Chair, Senate Ways and Means
State House, Room 410
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 Honorable Conferees,

Thank you for the opportunity to submit a letter regarding the reconciliation of H.4001 and S.2525, *An Act making appropriations for the fiscal year 2026*. On behalf of the Healthy Families Tax Credits coalition, **we urge the Conference Committee to adopt the House budget language in line item 1201-0100, which designates \$820,000 to support the Volunteer Income Tax Assistance (VITA) program.** This allocation maintains level funding from FY2025 and does not increase the overall budget. Instead, it assures that funding is directed to VITA, the community-based resource that helps families across every district file taxes for free. VITA is critical in helping families access meaningful tax benefits like the Earned Income Tax Credit (EITC) and Child and Family Tax Credit (CFTC) expanded by the Legislature last session.

The Healthy Families Tax Credits Coalition is a statewide nonpartisan network of advocates working to improve the health and well-being of Massachusetts families by expanding the state Earned Income Tax Credit and Child and Family Tax Credit. Our 80-plus member coalition, led by Children's HealthWatch at Boston Medical Center, includes community-based organizations, direct service agencies, health providers and health care institutions, legal advocates, and most importantly – Massachusetts workers and their families.



In addition to advocating for family tax credit expansions, our coalition focuses on implementation to ensure families are aware of and able to claim their credits. Improvements to the Earned Income Tax Credit and Child and Family Tax Credit passed by the Legislature last session were a major step forward. However, delivering their full impact depends on sustained support for VITA, a community-based free tax preparation service that connects families to these evidence-based, health-boosting credits.

VITA: An Essential Resource Serving all Massachusetts Districts

At VITA sites, often located at community-based organizations, IRS-certified volunteers provide free and competent tax preparation services to low- and moderate-income families earning, generally, under \$67,000 annually. This includes individuals who are elderly, disabled, or have limited English proficiency. These volunteers offer a high-quality alternative to paid tax preparers – in fact, the accuracy rate of VITA is 96 percent¹ – and ensure that taxpayers can claim and keep the full amount of tax credits which they have earned and are eligible for. This is particularly important as refunds can be eroded by costly preparation fees.

Among Massachusetts families eligible for the Earned Income Tax Credit, the average credit is \$2,350.² Combined with the state-level EITC, which now matches 40 percent of the federal credit, Massachusetts families could see an average refundable credit of \$3,290. However, 20 percent of workers eligible for the EITC don't claim the credit.³ For families with children under age 13 or caring for a disabled or senior dependent, they could be eligible for an additional \$440 through the Child and Family Tax Credit. State investment in VITA is critical to help ensure these meaningful federal and state dollars are delivered to families and not left on the table.

In a typical year, over 30,000 Massachusetts residents are served by the 80 existing VITA sites across the state. These services result in \$60M in tax credits for taxpayers – a low-cost and high return activity offering up to a 60 to 1 return on investment. Beyond the important role that VITA plays in helping low- and moderate-income households accurately file their taxes, VITA

¹ *Quality Statistical Sample Review Results for SPEC Partners and Employees*. IRS. (2024). <https://www.irs.gov/pub/irs-pdf/p5347.pdf>

² *Statistics for tax returns with the earned Income Tax Credit (EITC)*. IRS. (2024). <https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-the-earned-income>

³ *EITC participation rate by states: Tax years 2014 through 2022*. IRS (2023). <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states>



sites also offer financial education and link low-income taxpayers to other critical services, strengthening families and the local economy.

Impact of Reduced VITA Allocation

Taxpayers in Massachusetts have already been impacted by reduced funding for VITA in FY2025, from \$1.5 million to \$820,000. As a result of this cut, sites across the state reported reduced hours and lower capacity to serve families with low incomes. Some sites were not able to stay open at all, and the families they served lost access to free, high quality tax preparation.

If level funding is not maintained with an explicit allocation of \$820,000 is not allocated to VITA sites, hours and capacity will be further reduced and more sites will have to close in FY2026, further limiting access to health-boosting credits like the Earned Income Tax Credit and Child and Family Tax Credit.

Investing in services that connect families across the Commonwealth to existing resources that support their health and financial stability is urgent, especially amid rising costs and ongoing economic uncertainty. VITA does just that, delivering a significant return on investment and responding to growing demand for quality free tax assistance. Including the House language in line item 1201-0100 is a practical, no-cost opportunity to deliver tax benefits to families across Massachusetts. We urge the Conference Committee to adopt in the final report House language allocating \$820,000 to support VITA.

Sincerely,

The Healthy Families Tax Credits Coalition

The full list of supporting organizations is available [here](#).