



June 12, 2026

Re: VITA Funding in Fiscal Year 2027 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 Kip Diggs
Assistant 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.5501 and S.3100, An Act making appropriations for the fiscal year 2027.

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 \$1,500,000 to support the Volunteer Income Tax Assistance (VITA) program. This allocation assures that funding is directed to VITA, the community-based resource that helps families, workers, and older adults across every district in the Commonwealth file taxes for free. VITA is essential in helping families comply with their obligation to file income taxes, as well as access evidence-based tax credits like the Earned Income Tax Credit (EITC) and Child and Family Tax Credit (CFTC), both recently expanded by the Legislature last session. It is also essential to accessing the federal EITC and Child Tax Credit, which deliver millions of federal dollars to the Commonwealth.

The Healthy Families Tax Credits Coalition is a statewide nonpartisan network working to improve the health and well-being of Massachusetts families by increasing and expanding access to 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 to strengthen state family tax credits, our coalition focuses on implementation to ensure Massachusetts families are aware of and able to claim the credits for

which they are already eligible. Delivering the full impact of these credits depends on sustained support for VITA, a community-based free tax preparation program that connects families to these evidence-based credits.

VITA: An Essential Resource Serving all Massachusetts Districts

The Volunteer Income Tax Assistance (VITA) program provides free, high-quality tax preparation services to Massachusetts residents earning \$69,000 or less annually. With 88 sites across the state, IRS-trained volunteers help residents file their taxes for free, including older adults, those with limited English proficiency, and people living with disabilities. Importantly, VITA volunteers are trained specifically to help residents claim refundable tax credits, like the EITC and CFTC—two evidence-based tools that put cash back into pockets, advancing economic stability and improving health outcomes. This is critical, as we know approximately 20% of those eligible do not claim the EITC¹, leaving hundreds, if not thousands of dollars on the table each year. Take up of the new CFTC is likely even lower, as more families who do not have a tax filing obligation are eligible.

With a 97% accuracy rate², VITA helps residents meet their tax filing obligation and claim the full value of tax credits they are entitled to, without the burden of costly fees. This is in stark contrast to the unregulated, for-profit tax preparation industry. The US Government Accountability Office estimates that 60% of returns filed by paid preparers contain inaccuracies³, despite fees that can range from \$80 to \$400 or more. For families already under financial strain, these tax preparation fees can significantly reduce a household's refund.

VITA offers a high-quality alternative, providing free, trustworthy, and accurate services to eligible residents at 88 sites across the state. Sites are often accessibly co-located at community-based organizations and institutions, such as libraries, community action sites, and health care clinics, and volunteers are often from the communities they serve. Beyond the important role that VITA plays in helping low- and moderate-income households accurately file their taxes, VITA also offers financial education and connects low-income taxpayers to other critical safety net services, strengthening families and the local economy.

A majority of VITA sites in Massachusetts are coordinated by two state networks: the Boston Tax Help Coalition and MASSCAP. Together, this past tax season, VITA volunteers across these two networks filed more than 21,000 tax returns, returning more than \$40M*¹ in tax refunds and tax credits, and saving residents across Massachusetts more than \$6M in tax filing fees.

^{1*} Final results from the 2025 Tax Season are still being calculated; these numbers are current as of June 1, 2026:

- Boston Tax Help Coalition: 11,000 tax returns filed, \$22M in tax refunds + tax credits returned; \$3M in avoided tax filing fees
- MassCAP: 10,582 tax returns filed, \$20.1M in tax refunds + tax credits returned; \$3M in avoided tax filing fees

VITA draws federal dollars into Massachusetts

State investment in VITA delivers an exceptionally high return on investment (60:1),^{**2} making the program a fiscally smart strategy, especially in tight budget years. By helping residents access federal tax credits such as the EITC and Child Tax Credit, VITA leverages modest state funding to draw significant federal dollars into the state economy, multiplying the impact of state investment. Eligible families could claim up to \$8,046 in federal EITC (average credit of \$2,491 among Massachusetts households) and up to \$2,200 for each child under the age of 17. In 2025, Massachusetts families received \$876.2 million in federal EITC⁴. State investment in VITA helps bring these federal dollars back into our communities, stimulating economic activity and supporting financial stability at a time when resources are strained.

Continued cuts to VITA harm families, local economy

State investment in VITA is critical to maintain site supervision and hours, allowing more families to access its services and state and federal credits. In recognition of this, Massachusetts has invested in VITA since FY2019. However, since FY24, state funding for VITA has been reduced by two-thirds. This reduces the hours sites can operate and in some circumstances forces sites to close outright. For example, following line item cuts in the last budget, Boston Tax Help Coalition sites filed approximately 450 fewer returns and MASSCAP sites filed approximately 1,000 fewer returns, significantly reducing the amount of tax refund dollars returned to the community.

Investing in VITA is a fiscally smart strategy

We thank the House for restoring funding in this essential program and allocating \$1.5M to VITA. 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.

On behalf of more than 80 community organizations, healthcare providers, researchers, and legal advocates across the state, we urge the Conference Committee to adopt in its final FY2027 budget the House language allocating \$1,500,000 to protect this high-return investment for families and communities across Massachusetts.

^{2**} Each VITA site receives approximately \$13,000 from the Massachusetts DOR and Federal IRS to operate. Using round figures, the network of 80 VITA Sites (MassCAP + Boston Tax Help Coalition) together receive about \$1 million to cover operating expenses (\$1.04M) – that figure, compared to the over \$60 million that VITA sites bring to working people through state and federal tax credits equals a 60 to 1 ratio; 60:1 ROI.

Sincerely,

The Healthy Families Tax Credits Coalition

ABCD/Action for Boston Community Development

Alliance of Massachusetts YMCAs

Boston Children's Hospital

The Boston Foundation

Boston Tax Help Coalition

Brazilian Women's Group

Brazilian Worker Center

Cambridge Economic Opportunity Committee (CEOC)

CASH MA Coalition

Children's HealthWatch

Chinese Progressive Association

Community Action Agency of Somerville

Community Economic Development Center, New Bedford

Dragonfly Financial Solutions LLC

East Boston Social Centers

ECCHO-Latino

Ellis Early Learning

EMPath

Empowered and Dedicated to Edify the Nation (EDEN)

Food Bank of Western Massachusetts

Fortezela, Inc.

Greater Boston Legal Services

Greater Lawrence Community Action Council, Inc.

Horizons for Homeless Children

Immigrant Service Providers Group/Health

Jewish Alliance for Law and Social Action

Jewish Vocational Services, Boston

La Colaborativa

Massachusetts Association for Community Action (MASSCAP)

Massachusetts Association of Community Development Corporations (MACDC)

Massachusetts Budget & Policy Center

Massachusetts Coalition for the Homeless

Massachusetts Head Start Association

Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA)

Massachusetts Law Reform Institute (MLRI)

Massachusetts Nonprofit Network

Massachusetts Public Health Association

Medical-Legal Partnership Boston (MLPB)

Merrimack Valley Food Bank

Midas Collaborative

National Consumer Law Center

Neighborhood Villages

One Family, Inc.

Partnership for Financial Equity

Project Bread

RESULTS MA

Rian Immigrant Center

Rosie's Place

Safety Net Project, Legal Services Center of Harvard Law School

SkillWorks

Square One

Strategies for Children

StreetCred

Three Sisters

Together for Kids Coalition
TOOTRiS Child Care On-Demand
Transition House
United Way of Massachusetts Bay
UpTogether
Women's Money Matters
Worcester Community Action Council
Worcester County Food Bank
YWCA Cambridge

Citations

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3. Olson NE, Matlock ML, Javonovich E. *2025 Filing Season Mystery Shopping Visits*. Center for Taxpayer Rights; 2026. <https://taxpayer-rights.org/wp-content/uploads/2026/03/Mystery-Shopping-Report-03-16-26.pdf>
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