



July 27, 2022

Re: Tax Relief Implementation in Economic Development Bill 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 Mark Cusack
Chair, Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

Senator Eric Lesser
Chair, Senate Committee on Ethics
State House, Room 410
Boston, MA 02133

Representative Michael Soter
House Ranking Minority Member
State House, Room 237
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 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). Our 30-plus member coalition convened by Children's HealthWatch at Boston Medical Center 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 you consider the reconciliation of House and Senate Economic Development bills, "An Act relating to economic growth and relief for the Commonwealth," **we urge you to include the Senate timing of tax relief implementation – retroactive to tax year 2022 – in the final version of this bill.**

The tax relief provisions in this bill are intended to provide immediate and meaningful support to families who are struggling amidst rising inflation and the economic fallout of the pandemic. [Based on 2020 returns](#), families eligible for the EITC will receive an *additional average* credit of \$631.80 due to the increase included in this bill. To ensure that the benefits of this relief is realized as soon as possible, it is critical that changes be implemented this tax year - as directed in the Senate Economic Development bill.

By putting money back into families' pockets, the EITC is an effective anti-poverty tool that helps families meet basic needs. Research shows that the EITC lowers overall income inequality [by 5% to 10%](#) in a typical year. In addition to reducing income inequality and lifting families out of poverty, research has shown that mothers receiving the EITC have [reduced incidence of low birth weight](#) and that children in these households fare better in school, are more likely to attend college, and tend to have higher



salaries. The EITC also boosts spending in local economies, as families report using the additional income to purchase food and basic goods, make necessary home or car repairs, and pay bills including rent and utilities.

As we write this, the effects of inflation have frustrated and destabilized many families across the Commonwealth. Significant increases on necessities such as groceries and gas represent profound difficulties for many households, particularly those with low incomes who were already struggling to make ends meet. Implementing these tax relief provisions this tax year will provide these families with more resources to combat rising prices.

The Healthy Families EITC coalition applauds the significant and landmark expansion of the EITC passed in both the House and Senate Economic Development bills, and is incredibly grateful for this change. Thank you for your leadership on EITC, and in advance for delivering relief to families across the Commonwealth as soon as possible.

Sincerely,

The Healthy Families EITC Coalition

Member organizations listed [here](#)