July 21, 2023

The Honorable Karen E. Spilka  
Senator Michael J. Rodrigues  
Senator Susan L. Moran  
Senator Bruce E. Tarr

The Honorable Ronald Mariano  
Representative Aaron Michlewitz  
Representative Mark J. Cusack  
Representative Michael J. Soter

Senate President  
Chair, Senate Ways and Means Committee  
Chair, Joint Committee on Revenue  
Minority Leader

Speaker of the House  
Chair, House Ways and Means Committee  
Chair, Joint Committee on Revenue  
Ranking Member, Joint Committee on Revenue

State House, Room 332  
State House, Room 212  
State House, Room 312-D  
State House, Room 308

State House, Room 356  
State House, Room 243  
State House, Room 34  
State House, Room 237

Boston, MA 02133  
Boston, MA 02133  
Boston, MA 02133  
Boston, MA 02133

Dear Madam President, Speaker Mariano, Chairman Michlewitz, Chairman Rodrigues, Chairman Cusack, Chairwoman Moran, Minority Leader Tarr, and Ranking Member Soter:

The undersigned state, local, and community-based organizations and institutions **write in strong support of the House version of the Child and Family Tax Credit in any final tax package.**

Establishing a Child and Family Tax Credit that ultimately reaches $600 per dependent and is indexed to inflation offers a profound and historic opportunity to address affordability and recognize the cost of caregiving for Massachusetts families. While we are grateful that bills from both chambers include a streamlined and uncapped structure of the credit, the House’s more generous level of support will go further to help families afford basic needs and caregiving expenses. Furthermore, indexing the credit to inflation, as proposed by the House and the Governor, is a simple and essential tool that the state can use to offer families stable protection against fluctuations in costs of living.

**The Child and Family Tax Credit will reduce poverty and hardship in Massachusetts.**

By putting money back into families’ pockets, family tax credits are an effective anti-poverty tool that help families meet basic needs and protect against material hardship, which in turn protects health for family members across the lifespan. Research on the temporarily expanded federal Child Tax Credit showed that families primarily used their benefit to pay for [food, clothing, utilities, and school supplies](https://www.census.gov/content/dam/census/library/studies/cps/2021/cps-september-2021.pdf). Research from Children’s HealthWatch similarly found that the credit [helped families with young children](https://www.childrenshealthwatch.org/reports/117-the-american-rescue-plan-and-child-tax-credit) catch up on rent, improved food security, protected caregivers’ health, and supported mothers’ mental health. These findings are significant, as families across the state continue to face unaffordable
costs of living. The Greater Boston Food Bank recently released a statewide report that found that 1 in 3 families in Massachusetts experienced child-level food insecurity in 2022.

Once fully implemented, the more generous House-proposed Child and Family Tax Credit would provide families with nearly double the resources of the Senate proposal. This means nearly double the resources to help afford food, housing, utilities, clothing, health care and medications, school supplies, and child/dependent care. The larger credit may also enable families to support children and dependents in ways that limited budgets often do not allow, for example, the ability to pay for enrichment or educational resources, or a new soccer uniform and ability to participate in extracurricular activities with other kids. Paired with the Legislature’s landmark expansion of the income-targeted Earned Income Tax Credit (EITC), the larger Child and Family Tax Credit will help promote economic mobility by supporting families who struggle to make ends meet but are left out of safety-net programs due to restrictive income and other eligibility requirements.

The Child and Family Tax Credit will improve racial equity in Massachusetts. The Massachusetts Child and Family Tax Credit will support over 1 million dependents in more than 700,000 households each year. Roughly 91 percent of dependents eligible for the Child and Family Tax Credit are children under age 13 (the remaining 9 percent include disabled dependents and adult dependents/spouses age 65 and older). On average, just over 6,000 dependents per House district and 24,000 dependents per Senate district will be able to access the credit each year. While a greater absolute number of white households will be eligible, the credit will reach a larger proportion of families of color relative to their population size. Black residents represent 9.8 percent of the state population, but 14.3 percent of children under age 13. Similarly, Latino residents make up 12.4 percent of the population, but 19.6 percent of children under the age 13. Investment in the Child and Family Tax Credit is an investment in creating a more equitable tax system. Passing a more generous credit, as included in the House tax bill, would demonstrate a greater commitment and action by the Legislature to close racial income gaps.

Indexation is essential to prevent erosion of the Child and Family Tax Credit over time. Increases in inflation over the last several years underscore the need to index tax credits and other benefits to inflation. Since 2018, the federal Child Tax Credit has lost 15 percent of its real value to inflation. The House Child and Family Tax Credit proposal would automatically adjust the state credit annually, thereby protecting its value from the effects of inflation. This is particularly important to protect families with low incomes, who spend an outsize proportion of their budget on necessities like groceries and utilities.

States are increasingly implementing robust Child and Family Tax Credits. Massachusetts has the opportunity to be a leader on family tax credits and make the Commonwealth a more attractive and affordable state to raise families. Furthermore, indexing the credit to inflation (as included in the House bill) will keep the credit competitive compared to other states. Of the eleven states who offer a fully-refundable child or dependent tax credit – all of which have been implemented or expanded since 2021 – Massachusetts currently offers the lowest benefit. A flat credit of
$310/dependent, as proposed by the Senate, would surpass only New York. A benefit that ultimately reaches $600/dependent, as proposed by the House, will reposition Massachusetts in the top two-thirds of state dependent tax credits – falling behind California, Colorado, Minnesota, New Jersey, Oregon, and Vermont, all of which have passed credits of at least $1,000 per dependent within the past year.

We thank both chambers for recognizing the health, financial, and equity impact of family tax credits by introducing legislation to expand the EITC and establish a streamlined and boosted Child and Family Tax Credit. As the committee considers the reconciliation of the two tax bills, H.3770 and S.2397, we urge you to prioritize Massachusetts children and caregivers by including the House version of the Child and Family Tax Credit in the final conferenced tax package.

Signed:

Action for Boston Community Development, Inc. (ABCD)
Actual Justice Task Team of Southern New England United Church of Christ
Alliance of Massachusetts YMCAs
Allston Brighton Health Collaborative
Americlese Technologies
Austen Riggs Nursery School
Berkshire United Way
Boston Children's Hospital
Boston Children's Hospital Child Care Center
Boston Chinatown Neighborhood Center
The Boston Foundation
Boston Medical Center
Boston Tax Help Coalition
Boston University School of Public Health
Brazilian Worker center
Brazilian Women's Group
Cambridge Economic Opportunity Committee
Casa Esme Bilingual Nursery School
Catholic Charities Worcester County
Central West Justice Center
Child Tools Consulting
Children's Health Watch
The Children's School: Early Childhood Education Lab School
Chinese Progressive Association
City of Easthampton
Community Action, Inc.
Community Action Agency of Somerville, Inc.
Community Action Pioneer Valley
The Community Advocates for Young Learners (CAYL) Institute
Community Economic Development Center- New Bedford
Community Labor United
Community Servings
Daily Bread Food Pantry
Disability Law Center
Dragonfly Financial Solutions LLC
East Boston Social Centers
Economic Mobility Pathways (EMPath)
Educare Springfield
Edward Street
Family Services of Central Massachusetts
Food Bank of Western Massachusetts
Foster America
Futures Without Violence
The Good street project INC.
Greater Boston Food Bank
Greater Boston Legal Services
Greater Lawrence Community Action Council
Groundwork Lawrence
Grow Food Northampton
Homes for Families
HopeWell
Horizons for Homeless Children
Immigrant Service Providers Group/Health
International Institute of New England
Jane Doe Inc.
Jumpstart for Young Children
JVS Boston
La Colaborativa
Latinx Community Center for Empowerment
The Marion Institute
Massachusetts Association for Community Action (MASSCAP)
Massachusetts Association of Early Child Educators
Massachusetts Budget and Policy Center
Massachusetts Coalition for the Homeless
Massachusetts Coalition for Occupational Safety and Health
Massachusetts Head Start Association
Massachusetts Immigrant & Refugee Advocacy Coalition (MIRA)
Massachusetts Law Reform Institute
Medical-Legal Partnership Boston (MLPB)
Massachusetts Public Health Association
The Midas Collaborative
National Consumer Law Center
The Neighborhood Developers
 Neighborhood Villages
New England Jewish Labor Committee
North Shore Community Action Programs
Nourishing the North Shore
One Family
Parent Advisory Board (PAB) of Automatic Benefits for Children (ABC) Coalition
Pastora familiar de Lowell
The Possible Zone
Project Bread
Project HOPE Boston
Prosperity Now
Providers' Council
Public Health Institute of Western Massachusetts
Religious Action Center of Reform Judaism – Massachusetts
RESULTS – Massachusetts
Rosie’s Place
Sharon Lund, Financial Planning, Inc.
Sisters of St. Joseph of Boston
Springfield WORKS Collaborative
Saint John Paul II Food Pantry
Strategies for Children
StreetCred
Teach Plus Massachusetts
Three Sisters Garden Project
TOOTRiS Child Care On-Demand
United South End Settlements
United Way of Massachusetts Bay
Way Finders
Women’s Money Matters
Worcester Community Action Council, Inc.
Worcester County Food Bank
Worcester Food Policy Council
YMCA Southcoast
YWCA Cambridge