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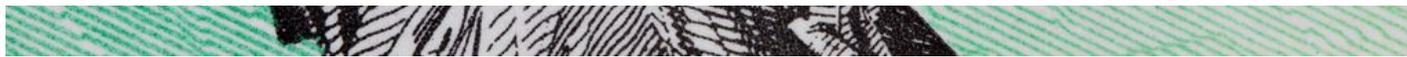
OPINION

Post-pandemic, the state can use a proven formula to lift families out of poverty

The Earned Income Tax Credit is an effective antidote to poverty. A change in the rules would allow it to reach more of them.

By [Marcela García](#) Globe Columnist, Updated May 25, 2021, 3:00 a.m.





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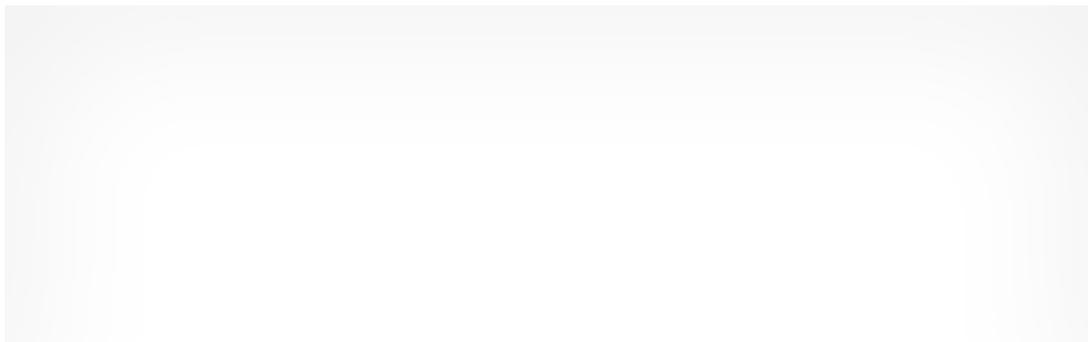
When the masks finally come off, a lot will have changed. But some things will remain stubbornly the same, and nothing seems more persistent than the number of families struggling with poverty in Massachusetts.

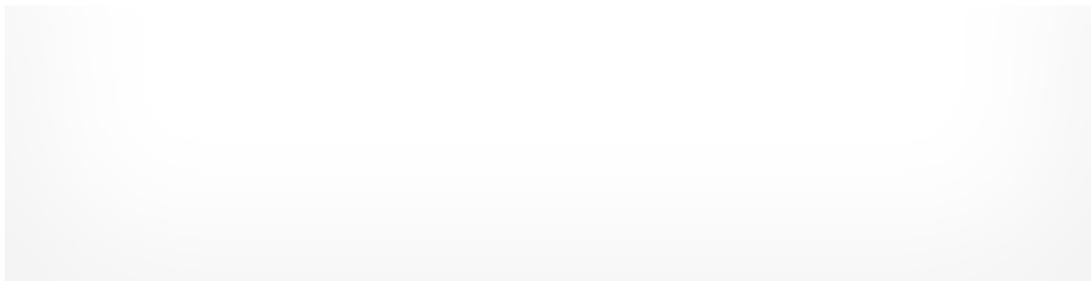
Prior to the COVID-19 pandemic, the state had [a poverty rate](#) that hovered around 9 percent. That means over 600,000 Massachusetts residents lived on about \$500 per week or less. Without updated rates, a good proxy to estimate how [poverty was exacerbated](#) in 2020 is to look at the high levels of hunger. A year into the pandemic, more than [1.6 million adults](#) are still struggling to get enough food, or [30 percent](#) of Mass. residents. Food insecurity rates are worse for people of color: 58 percent for Latino adults and 45 percent for Black adults.

So it only makes sense that every lever is pulled to help put more money in the pockets of those not only struggling with persistent poverty but also on the margins — those one proverbial paycheck away from homelessness or other financial disaster. One of the most effective levers is the [Earned Income Tax Credit](#), which rewards work while increasing the earnings of low-to-moderate wage earners.

The [federal EITC](#), created 46 years ago, has become one of the most powerful antidotes to poverty. It's an earnings subsidy that allows workers to offset a few thousand dollars on their taxes. And if they earn so little that they might not owe income taxes, they still get a refund check from the government. The EITC lifts between [5 million and 6 million](#) people out of poverty every year.

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Because of the program's impact, most states have established their own EITC to complement the federal tax credit. But there are holes in the program, leaving some of the most vulnerable families behind.

Namely, EITC isn't available to taxpayers who don't have a Social Security number. These taxpayers instead file using an individual tax identification number, making them ineligible for EITC. They are typically immigrants with varying legal status; in Massachusetts, they contribute roughly [\\$185 million](#) in state and local taxes annually.

Five states — California, Colorado, Maryland, New Mexico, and Washington — [have expanded](#) their state EITC to include these populations of immigrant taxpayers, in no small part because [they were left out](#) of some federal COVID-19 stimulus payments last year. It's especially significant because immigrant workers have been [overrepresented on the front lines](#) of the pandemic, working in [essential roles](#) in health care, food service, and the cleaning industry.

Nearly 19,000 immigrants file their state and federal income taxes using an ITIN in Massachusetts. Marie-Frances Rivera, president of the Massachusetts Budget and Policy Center, says that excluding working immigrants from the EITC amounts to a tax penalty.

"This is one of the ways that the tax code perpetuates harm," Rivera said in an interview. The price tag for the expansion is about \$9.3 million a year, according to the [center's estimates](#). "Compared to some of the tax loopholes that industries and corporations benefit from, it's not a lot. It's a tiny fraction of the state budget," Rivera said.

The expansion would benefit local residents like Michael, a young man from Honduras in the process of obtaining a green card, which means he cannot yet get a Social Security

number. Because of the pandemic, the construction company he was working for shut down and he lost his job. But he couldn't access unemployment benefits or the first and second round of stimulus payments. [Michael's story](#) was highlighted in the midst of the pandemic last year by Mass. Legal Services in an effort to elevate the need to help taxpaying immigrant workers without a Social Security number.

The expansion of EITC is a form of offering direct cash to low-income immigrant families, said Rivera. "We're seeing the benefits of the guaranteed income pilot in Chelsea. People are using this money to address basic needs for their families."

Indeed, excluding some working immigrants from an effective policy like the EITC makes no sense. [Two bills](#) have been [filed in the Legislature](#) to make ITIN holders eligible for the state EITC. It would cost the state barely anything, but for some workers, it could mean they don't have to choose between paying the rent or buying groceries.

Marcela García can be reached at marcela.garcia@globe.com. Follow her on Twitter [@marcela_elisa](https://twitter.com/marcela_elisa).

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