HEALTHY FAMILIES
TAX CREDITS COALITION

September 19, 2025

Joint Committee on Revenue

Senator James B. Eldridge
24 Beacon Street
Room 511-C
Boston, MA, 02133

Representative Adrian C. Madaro
24 Beacon Street
Room 34
Boston, MA, 02133

Dear Chair Eldridge, Chair Madaro, and Distinguished Members of the Joint Committee on Revenue,

On behalf of the Healthy Families Tax Credits Coalition, thank you for the opportunity to submit testimony in strong support of H.3073/S.1957, *An act supporting families through enhanced tax credits*, and S.1975, *An Act to reduce poverty by expanding the EITC and the child and family tax credit*.

The Healthy Families Tax Credits Coalition is a statewide nonpartisan network of more than 80 community-based organizations, direct service providers, health care institutions, legal advocates and – most importantly – Massachusetts workers and families. Led by Children's HealthWatch at Boston Medical Center, our coalition works to improve the health and well-being of families and children by expanding the Earned Income Tax Credit (EITC) and the Child and Family Tax Credit (CFTC) and ensuring families can access them. H.3073/S.1957 and S.1975 are crucial steps toward reducing poverty, advancing racial and economic equity, and improving health stability for children and families across the Commonwealth. We urge you to swiftly pass these bills out of Committee.

The Urgency of Action

Today, 64% of families in the United States live paycheck to paycheck and 10.6% live below the poverty line, earning less than $24,950 per year for a family of three.[1, 2] In Massachusetts, more than 671,000 families (9.4% of the state population) lived below poverty. Without adequate financial resources, families cannot afford the stability children need to thrive.

---

[1] Economic Security Project. Cash Talking Points. April 2023. Available at https://economicsecurityproject.org/wp-content/uploads/2303-Cash-Policy-Talking-Points.pdf

[2] Shrider EA & Bijou C. Poverty in the United States: 2024. United States Census Bureau. September 2025. Report Number: P60-287.

At the same time, cuts to the safety net at the federal level, inflation, and tariffs are all contributing to the rising costs of living, which further underscore the urgency of strengthening and safeguarding state family economic policies. Thousands of families across Massachusetts may see their nutrition assistance and health care benefits reduced or fully cut, resulting in fewer resources to support their basic needs.[3] The EITC and CFTC offer an opportunity to supplement these cuts and help families maintain economic stability.

The EITC and CFTC are two evidence-based policies for reducing poverty and advancing equity. In 2023 alone, the federal EITC and Child Tax Credit together lifted 3.4 million children out of poverty.[4] In 2023, 333,000 Massachusetts workers claimed the federal EITC and received an average benefit of $2,350.[5] When states build on these federal programs with state-level refundable EITCs and Child Tax Credits – like the CFTC – families experience even greater stability and improved health outcomes, further bolstering income and helping families afford necessities.[6]

In August, following a robust listening tour, the Massachusetts Poverty Commission released *Pathways to Possibility: A Ten Year Roadmap to Expand Economic Mobility in Massachusetts.* The report uplifts H.3073/S.1957 and S.1975 as relevant legislation and recommends expanding the state EITC and CFTC to help support families' access to basic needs like food, rent, and utilities. The report also highlights the immediate impact of these credits and the importance of expanding eligibility to historically excluded

---

[3] Center on Budget and Policy Priorities. House Republicans' Extreme Budget Plan Fails Massachusetts Families, Children, and Communities. May 2025. https://www.cbpp.org/sites/default/files/5-29-25sfp-factsheets-ma.pdf

[4] Burns K, DiTommaso A. Poverty Measure that Includes Noncash Government Assistance Increased to 12.9% in 2023, Up from 12.4% in 2022. United States Census Bureau. September 2024. Available at https://www.census.gov/library/stories/2024/09/supplemental-poverty-measure.html#:~:text=Today%E2%80%99s%20report%20shows%20tat%20refundable%20tax%20credits%2C%20such,million%20children%20above%20the%20poverty%20line%20in%202023.

[5] Internal Revenue Service. Statistics for tax returns with the Earned Income Tax Credit (EITC). 2024. https://www.irs.gov/tax-professionals/eitc-central/statistics-for-tax-returns-with-the-earned-income-tax-credit-eitc

[6] Bruce C, Bovell-Ammon A, Sheward R, Lê-Scherban F, Frank DA, Poblacion A, Ettinger de Cuba S, Cook J, The Earned Income Tax Credit and Child Tax Credit: Building on Success for Healthy Families. Children's HealthWatch. July 2020. Available at https://childrenshealthwatch.org/eitcandctc/

populations.[7] Expanding the CFTC and EITC would be the first step to achieving the goals set by the Massachusetts Poverty Commission.

Further, steps in these bills to increase awareness and uptake of the existing credits improved by the Legislature in 2023 will ensure their full impact and benefit is realized.

Strengthening Outreach and Awareness

The uptake of EITC in Massachusetts is 82% among eligible workers.[8] Data is not yet available for the CFTC, but we anticipate even lower uptake given its newness and universality. Many eligible families – especially "non-filers" who do not earn enough to meet the tax filing requirement – miss out. By not filing a tax return to claim these state credits, families also miss out on the federal EITC and CTC, leaving millions of federal dollars on the table that could support our local economy. State coordination of outreach is essential to ensuring all eligible families are connected to these tax benefits.

H.3073/S.1957 and S.1975 would direct the Department of Revenue to establish the following measures to increase awareness of the EITC and CFTC and ensure the widest possible dissemination of state and federal tax credits:

- Include multilingual information by video and text on the DOR website about state and federal tax credits and free tax preparation services.
- Provide all employers with information on tax credits and require them to post information in the workplace.
- Coordinate a notification system for participants of all state-administered benefits (e.g., MassHealth, nutrition assistance, unemployment insurance).
- Collaborate with labor organizations, chambers of commerce, municipalities, community-based organizations, and taxpayer advocates to disseminate information about tax credits.

The benefits of these credits can only be felt when they're accessible, and these provisions are key to ensuring a high uptake and building trust between the state and Massachusetts families and workers.

Increasing Accessibility to Advance Equity

---

[7] Massachusetts Poverty Commission. Pathways to Possibility: A Ten Year Roadmap to Expand Economic Mobility in Massachusetts. Massachusetts Legislature. June 2025. https://malegislature.gov/Bills/194/SD3122

[8] Internal Revenue Service. EITC participation rate by state. https://www.irs.gov/tax-professionals/eitc-central/eitc-participation-rate-by-state

H.3073/S.1957 and S.1975 will increase accessibility to the EITC and CFTC and ensure more Massachusetts families can benefit from them by:

- **Extending EITC to immigrants and mixed-status families**. Despite working the same jobs and paying the same taxes as Social Security Number (SSN) holders, immigrants who file with an Individual Taxpayer Identification Number (ITIN) are ineligible for the EITC. This exclusion leaves an estimated 76,000 individuals in 26,000 households otherwise eligible for the credit.[9] Many of these families include US citizen children, who are unfairly denied the benefits of the EITC if just one parent does not have a SSN ("mixed status" household). In Massachusetts, two-thirds of the excluded families, totaling between 14,200 and 17,300 households, are mixed-status. Extending eligibility of the EITC to ITIN filers will reduce racial inequities and strengthen family stability. It would also align Massachusetts with 10 other states and the District of Columbia that have already taken this step to expand access.

  While concerns about data sharing between the Internal Revenue Service and Department of Homeland Security raise serious questions about taxpayer privacy and trust, it is still critical to strengthen policies that protect and support ITIN filers. We are encouraged that the Massachusetts Attorney General has already taken steps to defend taxpayer privacy, including joining multistate litigation against the IRS to strengthen data protections. These efforts underscore that there is legal and political momentum among leaders in the Commonwealth to ensure immigrant families can access these benefits, which are transformational for families.

- **Eliminating the dependent cap on the EITC**: Currently, the value of the EITC increases with family size, but only up to three children. Holding all else equal, a family with three children will receive the same credit as a family with four children. This unfairly penalizes larger families. Eliminating the EITC dependent cap would also align this policy with cash assistance and CFTC eligibility, as the Legislature previously removed their dependent caps, respectively. Consistent anti-poverty policy in Massachusetts will reduce confusion and offer equal access for families of all sizes.

- **Removing limits on younger (18-24) and older (65+) workers without dependents**: The EITC is only available to workers aged 25–65 (unless claiming

[9] Baxandall B. Ending the Tax Penalty against Working Immigrants. Massachusetts Budget & Policy Center. Feb 2024. Available at https://massbudget.org/2024/02/21/itin-eitc-2024/

dependents), despite many young people working before the age of 25 and many older individuals continuing to work past traditional retirement age. Changing eligibility for the state EITC would better reflect our current workforce and ensure that economic support matches the realities of today's labor force. Extending the Massachusetts EITC to include younger and older workers builds on the recent success of the temporary expansion of the federal EITC under the American Rescue Plan Act, which benefited approximately 292,000 Massachusetts workers without children.[10] Eight states have included this age enhancement in their local EITCs.[11]

- **Expanding the CFTC to support all children under age 18**: The CFTC is available to all Massachusetts families with children under the age of 13, disabled dependents or spouses, and dependents age 65 or older. While inclusive in many ways that the EITC is not – supporting taxpayers with ITINs, large families, and families without earned income – it leaves out teenagers. The cost of raising children does not disappear when they turn 13. In fact, expenses often rise during the teenage years, from food to extracurriculars to tutoring and college preparation. Expanding eligibility to older children would strengthen the CFTC's core purpose: to provide flexible financial relief to families across the Commonwealth to meet their children's and dependents' unique and evolving needs. Supporting families during the costly teenage years also helps set children up for success in higher education and the workforce, promoting stronger outcomes for the state's future economy.

In addition to the provisions above, **S.1975 would extend the CFTC to families who receive benefits under 42 U.S.C. 1382 (Supplemental Security Income, or SSI) who do not already meet eligibility.** This innovative expansion would leverage the structure and reach of the CFTC to close a critical gap in support for some of the Commonwealth's most financially vulnerable households.

Increasing Generosity to Reduce Poverty

Beyond expanding eligibility, H.3073/S.1957 and S.1975 increase the value and expand delivery options of these credits by:

---

[10] White House. State-by-State Analysis on American Rescue Plan. https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/03/Massachusetts-Tax-Credit-1-pager-3.8.pdf

[11] Butkus N. State Earned Income Tax Credits Support Families and Workers in 2025. Institute on Taxation and Economic Policy. September 2025. Available at https://itep.org/state-earned-income-tax-credits-support-families-and-workers-in-2025/

- **Increasing the EITC from 40% to 50% of the federal credit**: This would deliver an average benefit of $1,175 to Massachusetts families, providing meaningful relief as costs continue to rise.[12] Evidence shows that even modest cash boosts improve financial stability and children's health. Research has found that a $1,000 EITC reduces the incidence of low birth weight and increases birth weight.[13] Similarly, direct cash pilots across the country, including 24 in Massachusetts alone since 2020, have shown that families who receive a much-needed cash boost, their health and financial stability improves.[14,15]

- **Boosting and strengthening the CFTC**: The current CFTC provides $440 per dependent per year. These bills would:
    1. **Increase the credit from $440 to $600 per dependent**, aligning with Governor Healey's original CFTC proposal and better supporting families with children.
    2. **Index the CFTC to inflation to protect its value over time**. Increases in inflation over the last several years have eroded the value of similar tax credits and underscore the need for indexation—for example, the federal Child Tax Credit has lost 15 percent of its real value since 2018 due to inflation.[16] This is particularly important to protect families with low incomes, who spend an outsize proportion of their budget on necessities like groceries and utilities.
    3. **Establish a system that offers advance, periodic payments**. The 2021 federal CTC demonstrated how advance monthly payments reduced food insufficiency and housing instability, helped families catch up on rent, and

---

[12] Internal Revenue Service. Statistics for tax returns with the Earned Income Tax Credit (EITC). 2024. https://www.irs.gov/tax-professionals/eitc-central/statistics-for-tax-returns-with-the-earned-income-tax-credit-eitc

[13] Hoynes H, Miller D, Simon D. Income, the earned income tax credit, and infant health. American Economic Journal: Economic Policy. 2015;7(1):172-211.

[14] DeYoung E, Tandon N, West S, Castro A, Golinkoff K, Thompson A. The American Guaranteed Income Studies: Cambridge, Massachusetts. University of Pennsylvania Center for Guaranteed Income Research. Feb 2024. Available at https://cambridgecf.org/research-on-cambridges-guaranteed-income-pilot-shows-tangible-benefits-for-cash-recipients/

[15] Schuster L, Harrington K, Sheward R, Bruce C, Morris R. The Dignity Dividend: Lessons Learned from Guaranteed Income Pilots in Massachusetts. July 2025. Available at https://childrenshealthwatch.org/the-dignity-dividend-lessons-learned-from-guaranteed-income-pilots-in-massachusetts/

[16] McCabe J. Indexing the Child Tax Credit is Long Overdue. Niskanen Center. July 2022. Available at https://www.niskanencenter.org/indexing-the-child-tax-credit-is-long-overdue/

improved physical and mental health.[17,18] Additionally, the advance CTC payments contributed to the lowest recorded child poverty rate since the US defined and began tracking poverty in the mid-1960s.[19] While the federal advance payments have since ended, implementing advance payments of the CFTC here in Massachusetts would help further this progress and ensure all families can meet their unique basic needs. Massachusetts would become the second state to implement advance tax credit payments, strengthening its standing as one of the best states for children and families.

In addition to the above provisions, **S.1975 would increase the EITC from 40% to 100% for workers without qualifying dependents**. Currently, the EITC is small and not widely available for workers without children in the home, limiting its impact. These workers are eligible for a maximum state EITC of $253, while those who claim one dependent are eligible for a maximum state credit of $1,685.[20] Increasing the state EITC match for these workers to 100% of the federal credit would raise their maximum state credit to $632. In 2021, ARPA temporarily tripled the EITC for workers without dependents, reaching an estimated 292,000 workers in Massachusetts.[21] Since its expiration, eight states have chosen to provide a larger state match for these workers.[22]

Conclusion

---

[17] Ettinger de Cuba S, Coleman SM, Bovell-Ammon A, et al. Expanded Child Tax Credit, Family Health, and Material Hardships. JAMA Netw Open. 2025;8(6):e2518335. doi:10.1001/jamanetworkopen.2025.18335

[18] Rook JM, Yama CL, Schickedanz AB, Feuerbach AM, Lee SL, Wisk LE. Changes in Self-Reported Adult Health and Household Food Security With the 2021 Expanded Child Tax Credit Monthly Payments. JAMA Health Forum. 2023;4(6):e231672. doi:10.1001/jamahealthforum.2023.1672

[19] Creamer, John, Emily A. Shrider, Kalee Burns, and Frances Chen. 2022. “Poverty in the United States: 2021 Current Population Reports.” US Census Bureau, Washington, DC.

[20] Massachusetts Department of Revenue. Massachusetts Earned Income Tax Credit (EITC). March 2025. https://www.mass.gov/info-details/massachusetts-earned-income-tax-credit-eitc

[21] White House. State-by-State Analysis on American Rescue Plan. https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/03/Massachusetts-Tax-Credit-1-pager-3.8.pdf

[22] Butkus N. State Earned Income Tax Credits Support Families and Workers in 2025. Institute on Taxation and Economic Policy. September 2025. Available at https://itep.org/state-earned-income-tax-credits-support-families-and-workers-in-2025/

HEALTHY FAMILIES
TAX CREDITS COALITION

H.3073/S.1957 and S.1975 represent an opportunity for Massachusetts to lead once again in advancing equity and supporting families. By expanding access, strengthening generosity, and improving implementation of the EITC and CFTC, this bill will:

- Reduce child poverty;
- Advance racial and economic equity;
- Improve physical and mental health; and
- Promote long-term financial stability for families.

These bills will increase access to – and the benefit of – tax credits that the Legislature has worked hard to expand in recent years. We thank the Legislature for its recognition of the EITC and CFTC as two evidence-based policies and urge the Committee to consider improvements that would bolster its implementation.

In the face of rising costs, inflation, and cuts to federal safety net programs, it is more important than ever that the Commonwealth supports its low-income children and families. The Healthy Families Tax Credits Coalition strongly supports H.3073/S.1957 and S.1975 and respectfully urges you to swiftly report the bills out of Committee and cement Massachusetts' role as a national leader in supporting children and families.

Sincerely,

The Healthy Families Tax Credits Coalition

HEALTHY FAMILIES TAX CREDITS COALITION

ABCD/Action for Boston Community Development
ACT Lawrence
Alliance of Massachusetts YMCAs
Amor Agape Servicios Comunitarios
Boston Children's Hospital
The Boston Foundation
Boston Indicators
Boston Medical Center
Boston Public Health Commission
Boston Tax Help Coalition
Brazilian Women's Group
Brazilian Worker Center
Cambridge Economic Opportunity Committee (CEOC)
Center for Public Representation
Central Massachusetts Housing Alliance
Children's HealthWatch
Children's League of Massachusetts
Chinese Progressive Association
Codman Square Neighborhood Development Corporation (NDC)
Community Action Agency of Somerville
Community Action Pioneer Valley
Community Economic Development Center, New Bedford
Dominican Development Center, Inc.
Dragonfly Financial Solutions LLC
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.
Groundwork Lawrence
Horizons for Homeless Children
Housing Families, Inc.
Immigrants' Assistance Center, Inc.
Immigrant Family Services Institute (IFSI-USA)
Immigrant Service Providers Group/Health
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
The Neighborhood Developers
Neighborhood Villages
One Family, Inc.
Paula's Barn Child Care
People Acting in Community Endeavors (PACE)
Project Bread
RESULTS MA
Rian Immigrant Center
Rosie's Place
Safety Net Project, Legal Services Center of Harvard Law School
SomerPromise, City of Somerville
SkillWorks
Square One
St. Anthony's Food Pantry
Strategies for Children
StreetCred
Three Sisters
TOOTRiS Child Care On-Demand
Transition House
True Alliance Center Inc.
United Way of Massachusetts Bay
Vietnamese American Initiative for Development (VietAID)
Women's Money Matters
Worcester Community Action Council