



Legislation Summary:

An Act improving the Earned Income Tax Credit for healthier families

Initial bill number: [S1521](#) (Bill numbers will change as legislation proceeds.)

Sponsor: Sen. James Eldridge

This bill increases the earned income tax credit from 15% of the federal credit to 50% of the federal credit. It establishes that a married taxpayer will satisfy the joint filing requirement for the EIC if she is unable to file a joint return because the taxpayer is a victim of domestic abuse; and requires the Department of Revenue to provide all employers with a multilingual poster and a notice that sets forth the rights to the earned income credit.

The Earned Income Credit is one of the most successful anti-poverty programs for a number of reasons:

- It puts more dollars directly into the hands of people who really need the money to make ends meet. It especially benefits children, who have become much overrepresented in those counted as living in poverty by the standard of the federal government.
- Second, it keeps people working because their work is better compensated, and they may even work more hours when they get the chance. This helps family stability and gives workers more experience and skills toward better jobs in the future.
- Third, administration of the Earned Income Credit through payroll systems does not require a costly state bureaucracy and avoids the indignity and inconvenience of application processes that many social service programs require.
- Fourth, the people eligible for the Earned Income Credit tend to spend the extra dollars quickly and near home, so it has a beneficial effect on the Massachusetts economy.