



*Testimony submitted to the Joint Committee on Revenue
In Support of H.1504 An Act to improve the earned income credit for working families and
S. 1521 An Act improving the earned income tax credit for healthier families
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The League of Women Voters of Massachusetts (LWVMA) has been a long-time supporter of increasing the Massachusetts match of the Earned Income Credit to better meet the basic human needs of state residents. We urge members of the Joint Committee on Revenue to approve H.1504 An Act to improve the earned income credit for working families and S.1521 An Act improving the earned income tax credit for healthier families.

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

- First and most important, 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 shocking standard of our 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.

In addition to increasing the state matching amount of the Earned Income Credit, the League commends these bills for specifically providing that victims of domestic abuse who file separate tax forms can receive the Earned Income Credit. These victims should receive every protection the state can offer and preserving income is often a critical factor in moving to a safer situation. We also believe that provisions to enhance the publicity given to the Earned Income Credit and ease of enrollment at workplaces will be helpful in getting more low-income workers to sign up. Some of the money that would have gone for federal taxes will, instead, be part of the paychecks of low-income workers that stays in Massachusetts and gets spent for their ordinary expenses.

We have many serious problems in the Commonwealth that are related to poverty or made worse by the struggles that insufficient income brings to families. One of the most obvious is the rise of homelessness, which is directly related to stagnant wages for those at the bottom levels coupled with the unrelenting increase in the cost of housing. Educational achievements are consistently related to the financial resources of families. Poverty also affects many health measures of both children and adults through postponed preventive care and inadequate diets. A modest rise in take-home pay from an increase in the Earned Income Credit won't solve these state-wide problems, but it is easier to put in place than many alternative social services and an effective assault on inequality.

The League of Women Voters of Massachusetts thanks the members of the Joint Revenue Committee for consideration of these points of view. We urge you to approve H.1504 and S.1521 and to see that the measures proposed go into effect as rapidly as possible.