



Testimony submitted to the Joint Committee on Revenue
In support of S.1821 An Act improving the earned income credit for working families
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The League of Women Voters of Massachusetts supports S 1821. This bill increases the state match for the earned income credit (EIC) on federal income taxes from 23% to 50%. Most of the rules are established by the federal Internal Revenue Service with the state providing a percentage increase to the monetary benefit to the worker. In this bill, victims of domestic abuse and separated spouses are included under a married filing separately category. Non-resident workers are included for the fraction of their income earned in Massachusetts. To encourage workers to sign up for the program, the bill provides for publicity through multiple and multilingual communications in workplaces and other relevant locations.

The earned income credit is considered an extremely successful anti-poverty program for many reasons. It is targeted to low-income workers, particularly those with children, and every year the EIC lifts millions of families and children out of poverty. The program keeps people in the workforce so that they gain experience and skills that will help them in the future. The EIC is administered through payroll systems and requires no additional bureaucracy in the Commonwealth. Workers usually get the extra benefit with their weekly paychecks and those extra dollars are then spent regularly and locally, adding to the state's economy and reducing costs for other benefit programs. A higher match is justified by the cost of living in Massachusetts, particularly by the escalating costs in recent years of basic needs such as housing, gasoline and food.

The League of Women Voters of Massachusetts supports this bill based on its national Meeting Basic Human Needs position. We believe that eligibility of all low-income individuals for assistance should be based on need. Eligibility should be established through simplified procedures such as a declaration of need, spot-checked in a manner similar to that used to check the validity of income tax returns. Work should be encouraged and participants' total income should increase as earnings increase.

Members of the 47 Leagues across Massachusetts from Cape Cod to the Berkshires join in urging the Joint Committee on Revenue to report this bill favorably. We hope that you will do all you can to see that this increased match for the Earned Income Credit is enacted during this session and goes into effect very soon.

Thank you for your consideration.