

July 21, 2023

The Honorable Karen E. Spilka  
Senate President  
State House, Room 332  
Boston, MA 02133

The Honorable Ronald Mariano  
Speaker of the House  
State House, Room 356  
Boston, MA 02133

Senator Michael J. Rodrigues  
Chair, Senate Ways and Means Committee  
State House, Room 212  
Boston, MA 02133

Representative Aaron Michlewitz  
Chair, House Ways and Means Committee  
State House, Room 243  
Boston, MA 02133

Senator Susan L. Moran  
Chair, Joint Committee on Revenue  
State House, Room 312-D  
Boston, MA 02133

Representative Mark J. Cusack  
Chair, Joint Committee on Revenue  
State House, Room 34  
Boston, MA 02133

Senator Bruce E. Tarr  
Minority Leader  
State House, Room 308  
Boston, MA 02133

Representative Michael J. Soter  
Ranking Member, Joint Committee on Revenue  
State House, Room 237  
Boston, MA 02133

Dear Madam President, Speaker Mariano, Chairman Michlewitz, Chairman Rodrigues, Chairman Cusack, Chairwoman Moran, Minority Leader Tarr, and Ranking Member Soter:

The undersigned state, local, and community-based organizations and institutions **write in strong support of the House version of the Child and Family Tax Credit in any final tax package.**

Establishing a Child and Family Tax Credit that ultimately reaches \$600 per dependent and is indexed to inflation offers a profound and historic opportunity to address affordability and recognize the cost of caregiving for Massachusetts families. While we are grateful that bills from both chambers include a streamlined and uncapped structure of the credit, the House's more generous level of support will go further to help families afford basic needs and caregiving expenses. Furthermore, indexing the credit to inflation, as proposed by the House and the Governor, is a simple and essential tool that the state can use to offer families stable protection against fluctuations in costs of living.

**The Child and Family Tax Credit will reduce poverty and hardship in Massachusetts.**

By putting money back into families' pockets, family tax credits are an effective anti-poverty tool that help families meet basic needs and protect against material hardship, which in turn protects health for family members across the lifespan. Research on the temporarily expanded federal Child Tax Credit showed that families primarily used their benefit to pay for [food, clothing, utilities, and school supplies](#). Research from Children's HealthWatch similarly found that the credit [helped families with young children](#) catch up on rent, improved food security, protected caregivers' health, and supported mothers' mental health. These findings are significant, as families across the state continue to face unaffordable

costs of living. The Greater Boston Food Bank recently released a statewide report that found that [1 in 3 families in Massachusetts experienced child-level food insecurity in 2022](#).

Once fully implemented, the more generous House-proposed Child and Family Tax Credit would provide families with **nearly double** the resources of the Senate proposal. This means nearly double the resources to help afford food, housing, utilities, clothing, health care and medications, school supplies, and child/dependent care. The larger credit may also enable families to support children and dependents in ways that limited budgets often do not allow, for example, the ability to pay for enrichment or educational resources, or a new soccer uniform and ability to participate in extracurricular activities with other kids. Paired with the Legislature's landmark expansion of the income-targeted Earned Income Tax Credit (EITC), the larger Child and Family Tax Credit will help promote economic mobility by supporting families who struggle to make ends meet but are left out of safety-net programs due to restrictive income and other eligibility requirements.

### **The Child and Family Tax Credit will improve racial equity in Massachusetts.**

The Massachusetts Child and Family Tax Credit will support over 1 million dependents in more than 700,000 households each year. Roughly 91 percent of dependents eligible for the Child and Family Tax Credit are children under age 13 (the remaining 9 percent include disabled dependents and adult dependents/spouses age 65 and older). On average, just [over 6,000 dependents per House district and 24,000 dependents per Senate district](#) will be able to access the credit each year. While a greater absolute number of white households will be eligible, the credit will reach a larger proportion of families of color relative to their population size. Black residents represent 9.8 percent of the state population, but 14.3 percent of children under age 13. Similarly, Latino residents make up 12.4 percent of the population, but 19.6 percent of children under the age 13. Investment in the Child and Family Tax Credit is an investment in creating a more equitable tax system. Passing a more generous credit, as included in the House tax bill, would demonstrate a greater commitment and action by the Legislature to close racial income gaps.

### **Indexation is essential to prevent erosion of the Child and Family Tax Credit over time.**

Increases in inflation over the last several years underscore the need to index tax credits and other benefits to inflation. Since 2018, the federal Child Tax Credit [has lost 15 percent of its real value to inflation](#). The House Child and Family Tax Credit proposal would automatically adjust the state credit annually, thereby protecting its value from the effects of inflation. This is particularly important to protect families with low incomes, who spend an outsize proportion of their budget on necessities like groceries and utilities.

### **States are increasingly implementing robust Child and Family Tax Credits.**

Massachusetts has the opportunity to be a leader on family tax credits and make the Commonwealth a more attractive and affordable state to raise families. Furthermore, indexing the credit to inflation (as included in the House bill) will keep the credit competitive compared to other states. Of the eleven [states who offer a fully-refundable child or dependent tax credit](#) – all of which have been implemented or expanded since 2021 – Massachusetts currently offers the lowest benefit. A flat credit of

\$310/dependent, as proposed by the Senate, would surpass only New York. A benefit that ultimately reaches \$600/dependent, as proposed by the House, will reposition Massachusetts in the top two-thirds of state dependent tax credits – falling behind California, Colorado, Minnesota, New Jersey, Oregon, and Vermont, all of which have passed credits of at least \$1,000 per dependent within the past year.

We thank both chambers for recognizing the health, financial, and equity impact of family tax credits by introducing legislation to expand the EITC and establish a streamlined and boosted Child and Family Tax Credit. As the committee considers the reconciliation of the two tax bills, H.3770 and S.2397, **we urge you to prioritize Massachusetts children and caregivers by including the House version of the Child and Family Tax Credit in the final conferenced tax package.**

Signed:

Action for Boston Community Development, Inc. (ABCD)  
Actual Justice Task Team of Southern New England United Church of Christ  
Alliance of Massachusetts YMCAs  
Allston Brighton Health Collaborative  
AmeriLense Technologies  
Austen Riggs Nursery School  
Berkshire United Way  
Boston Children's Hospital  
Boston Children's Hospital Child Care Center  
Boston Chinatown Neighborhood Center  
The Boston Foundation  
Boston Medical Center  
Boston Tax Help Coalition  
Boston University School of Public Health  
Brazilian Worker center  
Brazilian Women's Group  
Cambridge Economic Opportunity Committee  
Casa Esme Bilingual Nursery School  
Catholic Charities Worcester County  
Central West Justice Center  
Child Tools Consulting  
Children's Health Watch  
The Children's School: Early Childhood Education Lab School  
Chinese Progressive Association  
City of Easthampton  
Community Action, Inc.  
Community Action Agency of Somerville, Inc.  
Community Action Pioneer Valley  
The Community Advocates for Young Learners (CAYL) Institute  
Community Economic Development Center- New Bedford  
Community Labor United  
Community Servings  
Daily Bread Food Pantry

Disability Law Center  
Dragonfly Financial Solutions LLC  
East Boston Social Centers  
Economic Mobility Pathways (EMPath)  
Educare Springfield  
Edward Street  
Family Services of Central Massachusetts  
Food Bank of Western Massachusetts  
Foster America  
Futures Without Violence  
The Good street project INC.  
Greater Boston Food Bank  
Greater Boston Legal Services  
Greater Lawrence Community Action Council  
Groundwork Lawrence  
Grow Food Northampton  
Homes for Families  
HopeWell  
Horizons for Homeless Children  
Immigrant Service Providers Group/Health  
International Institute of New England  
Jane Doe Inc.  
Jumpstart for Young Children  
JVS Boston  
La Colaborativa  
Latinx Community Center for Empowerment  
The Marion Institute  
Massachusetts Association for Community Action (MASSCAP)  
Massachusetts Association of Early Child Educators  
Massachusetts Budget and Policy Center  
Massachusetts Coalition for the Homeless  
Massachusetts Coalition for Occupational Safety and Health  
Massachusetts Head Start Association  
Massachusetts Immigrant & Refugee Advocacy Coalition (MIRA)  
Massachusetts Law Reform Institute  
Medical-Legal Partnership Boston (MLPB)  
Massachusetts Public Health Association  
The Midas Collaborative  
National Consumer Law Center  
The Neighborhood Developers  
Neighborhood Villages  
New England Jewish Labor Committee  
North Shore Community Action Programs  
Nourishing the North Shore  
One Family  
Parent Advisory Board (PAB) of Automatic Benefits for Children (ABC) Coalition  
Pastora familiar de Lowell  
The Possible Zone

Project Bread  
Project HOPE Boston  
Prosperity Now  
Providers' Council  
Public Health Institute of Western Massachusetts  
Religious Action Center of Reform Judaism – Massachusetts  
RESULTS – Massachusetts  
Rosie's Place  
Sharon Lund, Financial Planning, Inc.  
Sisters of St. Joseph of Boston  
Springfield WORKS Collaborative  
Saint John Paul II Food Pantry  
Strategies for Children  
StreetCred  
Teach Plus Massachusetts  
Three Sisters Garden Project  
TOOTRiS Child Care On-Demand  
United South End Settlements  
United Way of Massachusetts Bay  
Way Finders  
Women's Money Matters  
Worcester Community Action Council, Inc.  
Worcester County Food Bank  
Worcester Food Policy Council  
YMCA Southcoast  
YWCA Cambridge