



October 15, 2025

The Honorable James B. Eldridge, Chair
Joint Committee on Revenue
State House, Room 511-C
Boston, MA 02133

The Honorable Adrian C. Madaro, Chair
Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

RE: Testimony in support of *An Act supporting families through enhanced tax credits* (H.3073/S.1957), and *An Act to reduce poverty by expanding the EITC and the child and family tax credit* (S.1975)

Chair Eldridge, Chair Madaro and distinguished members of the Joint Committee on Revenue:

Thank you for the opportunity to submit written testimony in support of H.3073 and 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*, which will reduce the financial burden on low-income families and make tax credits accessible to all income-eligible workers and families.

The Massachusetts Budget and Policy Center (MassBudget) is a non-partisan, non-profit research and advocacy organization. We provide rigorous research and policy analysis, along with strategic advocacy in partnership with grassroots organizations. MassBudget has done extensive research and provides critical expertise in many areas including tax credits.

We are grateful to the legislature for supporting and prioritizing the improvement of these credits in recent years. The legislature favorably reported previous versions of these bills. In October 2023, the state increased its Earned Income Tax Credit (EITC) match from 30 percent of the federal EITC to 40 percent and increased the Child and Family Tax Credit (CFTC) to \$440 per eligible dependent. These are welcome and appreciated positive changes. However, we believe that we can and should do more.

Tax credits are one of the most effective anti-poverty tools that we have. The bills propose expanding access to two of our state tax credits, the state EITC and the CFTC. An expanded state EITC and CFTC would lift even more people out of poverty while also benefitting the economy.

We have already seen the positive effects of expanding tax credits nationally. The 2024 Census data shows that the federal EITC and Child Tax Credit (CTC) together lifted 6.8 million people across the country above the Supplemental Poverty Measure poverty line. It is [well documented](#) that lifting people out of poverty positively impacts the economy. Workers and families who have more resources are shown to have better health and education outcomes. As workers and families have more resources, they can access better healthcare services and achieve higher education levels which leads to increased economic mobility and productivity. Additionally, they are able to invest in housing, increase their savings, and contribute to the economy in even more ways.

The bills before you would improve the state EITC and CFTC and expand people's access to both credits. Wage and income inequities in the Commonwealth continue to persist. Simultaneously, Massachusetts has become one of the most expensive states to live in, particularly for low-income workers and their families who tend to be the bulk of the workforce performing essential jobs in all industries. These workers will benefit from these improved and expanded tax credits.

An expanded and improved state EITC and CFTC is necessary to keep working families in this state. Data shows that Massachusetts outmigration is overwhelmingly low- and middle-income households and younger people, which contributes to the worker shortages we currently see in several sectors across the state. The proposed bills would increase the state EITC to 50% of the federal credit and expand EITC eligibility to more workers and their families. This includes immigrants and mixed status families, families with more than three children as well as younger and older workers without dependents. The bills also index the CFTC to inflation and increase the amount families would receive per dependent. These thoughtful improvements make both credits more effective and accessible for working families with low-incomes.

The bills would also advance worker equity by expanding access to tax credits for immigrant and mixed-status families who file their taxes using an Individual Taxpayer Identification Number (ITIN). Immigrants make up nearly a quarter of Massachusetts workers and are vital to the economy. In 2022, people without a U.S. documented immigration status contributed \$649.8 million in state and local taxes, but are excluded from claiming the state EITC. Several states have extended their state EITCs to immigrants and mixed-status families who file with ITINs. MassBudget estimates an additional 21,000-26,000 immigrant or mixed-status households would be eligible for an expanded state EITC. It is time to end the tax penalty against working immigrants and ensure that all workers paying taxes have access to the same tax credits that allow them to support their families.

Massachusetts has an opportunity to join other leading states and provide an even larger child tax credit to families. California, Colorado, Minnesota, New Jersey, Oregon, and Vermont have all enacted a child tax credit of at least \$1,000 per dependent within the past year. The bills would increase the state CFTC to \$600 per dependent child, which is significant progress and will place Massachusetts in the top two-thirds of state dependent tax credits.

At MassBudget, we believe all workers and families should have equitable access to economic mobility. We know tax credits play a vital role in making this vision a reality. We urge you to report these bills out favorably to better ensure all workers and families can meet their needs and achieve success.

Thank you for your time and consideration.

Respectfully submitted,

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Massachusetts Budget and Policy Center

Endnotes

U.S. Census Bureau, "[Poverty in the United States: 2024](#)," September 9, 2025

Waxman, S., Sherman, A., Cox, K., "[Income Support Associated With Improved Health Outcomes for Children, Many Studies Show](#)," Center on Budget and Policy Priorities, May 27, 2021.

Baxandall, P. "[Ending the Tax Penalty Against Working Immigrants](#)," Massachusetts Budget and Policy Center