

## LIVE UPDATES

Opening statements today in Marathon bombing trial

# Wide support for lifting earned-income credit



JONATHAN WIGGS/GLOBE STAFF

Quanda Burrell, playing with son Liam, 4, during a break at the South End day-care center where she works, says that she counts on the state's Earned Income Tax Credit now to make ends meet. A boost in the program would make a big difference, she said, in her situation.

By [Katie Johnston](#) | GLOBE STAFF MARCH 04, 2015

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Quanda Burrell, a single mother of two, works full time as a day-care teacher, earns \$24,000 a year, and juggles the bills that inevitably pile up in her Boston home. But each year around this time, she says, she is able to “clear the slate,” paying her debts with an income tax refund bolstered by an \$800 state credit.

Burrell, 29, is among more than 400,000 low-income workers in Massachusetts who would benefit from a proposed increase in the state’s Earned Income Tax Credit, widely viewed as one of most effective antipoverty programs and supported by lawmakers and policy makers across the political spectrum.

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Governor Charlie Baker on Monday proposed doubling the tax credit, and several state legislators on both sides of the aisle have filed bills to increase it — including one that would more than triple the tax break and give Massachusetts the largest state Earned Income Tax Credit in the nation. If the state were to triple the tax credit, joint filers with three or more children could get up to \$3,072 back from the state, compared with \$921 under the current program.

For Burrell, the top increase would mean roughly \$1,900 more in her pocket every year. “That would make a huge difference to me,” she said, noting she has a delinquent light bill, credit card debt, and student loans — and about 50 cents in her savings account.

The Earned Income Tax Credit, enacted by the federal government in 1975 and the state in 1997, has gained bipartisan support because it achieves goals espoused by both parties: It helps the poor and rewards employment. If you don’t work, you don’t qualify. US Representative Paul Ryan, a Wisconsin Republican and chairman of the House Budget Committee, has floated a federal increase — doubling the maximum credit for childless workers to about \$1,000 — that is similar to one proposed by President Obama.

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## Baker seeks to kill film industry tax credit, boost aid for low-wage workers

Governor Baker's proposed budget would kill a controversial tax credit and expand one for low-income workers.

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Low-wage workers meeting income and family size requirements are eligible for a federal Earned Income Tax Credit, and 25 states offer an additional credit. In Massachusetts, the state credit is equal to 15 percent of the federal amount. The most generous proposal on Beacon Hill would raise it to 50 percent, increasing the tax credit to an average of almost \$1,000 per person, up from \$300.

Several hundred dollars is sometimes all it takes to keep people in their homes. If low-income workers have car trouble and can't afford to pay \$300 to get it fixed, for instance, they might not be able to get to work, which could mean missing a paycheck, falling behind on rent, and getting evicted, said Dr. Megan Sandel, a pediatrician and lead investigator with Children's HealthWatch, a Boston-based network of researchers who track children's health, and a supporter of raising the tax credit.

Extra money can also have a profound impact on health and future earnings. Research has shown that expanding the Earned Income Tax Credit not only increases workforce participation, it decreases low-weight births, improves test scores, and encourages families to buy more healthful food. "This may be a bill that's going to help my patients almost as much as any other type of health intervention," Sandel said.

Elizabeth Torres, who makes \$17 an hour working part time with at-risk youth in Mission Hill, said a larger tax credit could give her the ability to pay her rent all at once, instead of splitting it into biweekly installments so she can juggle other bills. She would receive about \$1,900 with the highest proposed increase.

The extra income could also help Torres, 49, who has two children at home, a high schooler and a Roxbury Community College student, pay off her school loans, fix her credit, and save for the ultimate goal: “I want to try and go for a house,” she said.

Massachusetts has not raised the Earned Income Tax Credit since 2001, but the time is right for a substantial boost, said state Senator James Eldridge, an Acton Democrat sponsoring the bill to more than triple it. Nationwide, 19 states moved to increase or create an Earned Income Tax Credit last year.

“There’s a real push this session on how do we address inequality, and EITC is a proven tool that puts money in the pockets of poor families,” he said.

Following last summer’s debate over raising the minimum wage, there is renewed emphasis among Massachusetts legislators to help the working poor, said state Senate Republican leader Bruce Tarr, from Gloucester, who

## **Quanda Burrell**

**29-year-old single mother of two**

### **EARNINGS:**

**\$24,000 a year as a day-care teacher in the South End**

### **CURRENT STATE TAX CREDIT**

**\$800 a year**

**AMOUNT SHE'D RECEIVE UNDER TOP INCREASE**  
**\$2,700**

“

*‘This may . . . help my patients almost as much as any . . . healthintervention.’*

filed a bill to double the current tax credit. “It’s an important use of tax credits to reward low-wage workers who are working and looking to advance their economic future,” he said.

Wages have not increased for the state’s lowest-paid workers in decades, rising 8 cents an hour between 1979 and 2013, adjusted for inflation, to \$9.06 an hour, according to the Economic Policy Institute, a Washington, D.C., think tank that advocates for lower-income families. Housing and heating costs have skyrocketed.

Eldridge’s proposal would cost the state \$372 million a year in tax revenue, up from \$112 million currently, according to the Institute on Taxation and Economic Policy, a Washington research organization. Baker and Tarr’s proposal would increase its annual cost to \$223 million.

To fund the increase, Baker proposed eliminating the film tax credit. State Senator Benjamin Downing, a Pittsfield Democrat who filed a bill to double the size of the state credit to 30 percent, suggests holding the state income tax rate at 5.15 percent, instead of allowing it to fall to 5 percent by 2018 if overall revenue growth meets criteria outlined in a 2002 law, and using the proceeds to pay for the higher credit.

*Katie Johnston can be reached at [katie.johnston@globe.com](mailto:katie.johnston@globe.com). Follow her on Twitter [@ktkjohnton](https://twitter.com/ktkjohnton).*

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