

RE: Why you should care about taxes if you work with poor people.

Dear Poverty Advocates,

Tax is an important part of the safety net, especially for families with children. Tax credits are often available even when there is NO tax liability and they typically do not count against other benefits. In fact, the Earned Income Tax Credit (EITC) is the biggest antipoverty program in the country for the working poor with kids.

Immigrants, however, face unique barriers in the tax world: in addition to the familiar practical access hurdles, they are injured by discriminatory legal barriers, especially when it comes to the EITC. The Healthy Families Tax Credit Coalition is working to maximize the tax credits already available, such as the new MA Family and Dependent Credit, as well as abolish the Massachusetts' EITC bar on working immigrant families. Too many immigrant households end up OWING tax on their low incomes rather than getting the thousands of dollars in income boost from the EITC just because they use IRS issued tax id numbers rather than Social Security numbers.

Massachusetts Family and Dependent Credit: Who should get it, but won't and could it really be the start of Universal Basic Income (UBI)?

While not an especially large credit at the moment (\$310), it is important in multiple ways: the MA Family and Dependent Credit is universal - no income requirement, no **SSN requirement.** Who's going to miss out? Those who don't file a MA tax return because they don't' know about it, don't have a filing requirement/income and mistakenly think they can't get it, or are undocumented and can't obtain an ITIN (Individual Taxpayer Identification Number) from the IRS.

The needlest group of eligible immigrants has a big access problem: kids who are in households that are so low income that the IRS will not give the parents ITIN numbers. The IRS will not issue these tax ID numbers for a state-only benefit. The Department of Revenue (DOR) recently announced that for the first time they will issue state id numbers to the children, but not for adults. We need to identify these families and help them claim the money they are eligible for. An obvious group for outreach are undocumented moms in shelters. Furthermore, ALL elementary schools should have this information as just about every child in the building qualifies REGARDLESS of lack of income or immigration status.



## UBI Advocacy in the longer term

This credit is also significant as it just may be the seed to **universal basic income**. Eligibility is wide open re status/income. This is one where more advocates should be partnering with the <u>Healthy Families Tax Credit Coalition</u> to push for **increasing the amount** (Governor's proposal was for \$600, states around the country are increasingly supporting families this way) and **expanding the age** (teenagers deserve this support, too).

## State Campaign to End the Exclusion of Immigrant Workers from state EITC

Immigrants work and pay taxes; they should not be barred from the state EITC because they use ITINs to file tax returns. 10 other states have already figured this out! The Healthy Families Tax Credit Coalition has sent a letter to the House signed by 105 groups asking for the necessary reform in the budget. The Massachusetts Budget and Policy Center recently released a report on what it would look like if we allowed immigrants to access the state EITC whether they have SSNs or ITINs. The Black and Latino Caucus co-sponsored a State House legislative briefing where Sen. DiDomenico urged: "Help us help you" by getting more people to contact his colleagues. We were hopeful when Reps. Decker and Vargas filed an amendment that would have granted ITIN filers access to our EITC, but it was withdrawn at the last minute, but it was withdrawn. Similarly, Senators Eldridge and DiDomenico filed an amendment and Sen. Eldridge spoke eloquently on the topic, but it also failed.

The biggest asks we have for poverty advocates: (1) the tax system should be recognized as an important part of the safety net for everybody, and (2) we can/should work to make it much better, especially for immigrants.

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