



Trinh Nguyen – Earned Income Tax Credit
Joint Committee on Revenue
July 23, 2019

- Good morning Chairman Hinds, Chairman Cusack (Que-sack) and members of the Committee. My name is Trinh Nguyen and I am the Director of the City of Boston's Office of Workforce Development. On behalf of Mayor Martin J. Walsh, I am here to testify in support of H.2434 and S.1646, pieces of legislation which call for an increase to the State's Earned Income Tax Credit (EITC).
- Mayor Walsh is engaging in conversations at every level of government about how we can better support our working class and address the systematic inequalities that exist today. Much of that work is happening in the Office of Financial Empowerment, which I oversee.
- An integral component of the Office of Finance Empowerment is the Boston Tax Help Coalition. The Boston Tax Help Coalition has provided tax preparation to Boston's low and moderate income communities since 2001. By joining over 30 organizations, the mission of the Coalition is to broaden pathways from poverty to financial empowerment by maximizing the impact of the Earned Income Tax Credit and other tax credits. The interactive process for the taxpayer is a capacity building experience that results in improved understanding, confidence, and financial empowerment.
- Although the program is not new to the City, under Mayor Walsh it has increased its capacity and resources. The City now has 27 community-based tax sites that provide free tax preparation and asset building services in 8 different languages. Operations have expanded from serving just 400 taxpayers and returning \$800,000 in 2002, to aiding over 11,000 low and moderate-income taxpayers and generating well over \$22.2 million in refunds and credits in 2014. This year, our goal is to deliver wealth-building

services to more than 12,000 City of Boston households which puts approximately \$24 million back into the pockets of working families.

- The City's advocacy around financial empowerment and efforts to increase the utilization of tax credit programs for working families in Boston would be even more valuable if coupled with an increase in the State's EITC.

- Mayor Walsh feels strongly that we need to support programs that help people help themselves. Residents that receive EITC are those who are working hard every day to provide a better life for themselves and their families. With an increase in EITC to 30%, these eligible Boston families would see an additional \$15.6 million or about \$600 more per family. Those additional dollars will have a tremendous impact on our working parents and their ability to provide basic housing and food needs for their children.

- The time for an increase to the State's EITC is also right because of the recent changes to the State's minimum wage. As the Legislature recognized with the minimum wage increase, too many full-time workers in the Commonwealth struggle to make ends meet and provide for their children. While increasing the minimum wage will go a long way in our efforts to bring working families out of poverty, we need to supplement the increase in wages with programs that further recognize the high cost of living in the Commonwealth. Making an investment in the EITC program now will maximize the long-term benefits of the minimum wage increase as it is gradually phased in over the next couple of years.

- A stronger state EITC program will help provide real, immediate help to thousands of working families in Boston, while also laying the groundwork for increased prosperity down the road.

- Thank you for providing me with the opportunity to speak today. I respectfully request you report H.2434 and S.1646 out favorably and expeditiously. Thank you.