

HOUSE No. 2439

The Commonwealth of Massachusetts

PRESENTED BY:

Mindy Domb

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act improving the earned income credit for working families.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|------------------------------------|---------------------------------------|
| <i>Mindy Domb</i> | <i>3rd Hampshire</i> |
| <i>Peter Capano</i> | <i>11th Essex</i> |
| <i>Natalie M. Blais</i> | <i>1st Franklin</i> |
| <i>Nika C. Elugardo</i> | <i>15th Suffolk</i> |
| <i>Carlos Gonzalez</i> | <i>10th Hampden</i> |
| <i>David Henry Argosky LeBoeuf</i> | <i>17th Worcester</i> |
| <i>Liz Miranda</i> | <i>5th Suffolk</i> |
| <i>Rebecca L. Rausch</i> | <i>Norfolk, Bristol and Middlesex</i> |
| <i>José F. Tosado</i> | <i>9th Hampden</i> |

HOUSE No. 2439

By Ms. Domb of Amherst, a petition (accompanied by bill, House, No. 2439) of Mindy Domb and others relative to the earned income tax credit for working families. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act improving the earned income credit for working families.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 6 of chapter 62 of the General Laws, as amended by section 30 of
2 chapter 154 of the acts of 2018, is hereby amended by striking out subsection (h) and inserting in
3 place thereof the following subsection:-

4 (h) A taxpayer shall be allowed a credit against the taxes imposed by this chapter if such
5 person qualified for and claimed the earned income credit, so called, allowed under the
6 provisions of section 32 of the Code, as amended and in effect for the taxable year, or such
7 person would otherwise have qualified for the earned income credit or would have been able to
8 claim additional qualifying children for the earned income credit but for subsection (m) of
9 section 32 of the Code. With respect to a person who is a nonresident for all or part of the taxable
10 year, the credit shall be limited to 50 per cent of the federal credit multiplied by a fraction the
11 numerator of which shall be the earned income of the nonresident from Massachusetts sources
12 and the denominator of which shall be the earned income of the nonresident from all sources.

13 The credit allowed by this subsection shall equal 50 per cent of the federal credit received by the

14 taxpayer, or otherwise eligible to be received by the taxpayer but for subsection (m) of section 32
15 of the Code for the taxable year. If other credits allowed under this section are utilized by the
16 taxpayer for the taxable year, the credit afforded by this subsection shall be applied last. If the
17 amount of the credit allowed hereunder exceeds the taxpayer's liability, the commissioner shall
18 treat such excess as an overpayment and shall pay the taxpayer the amount of such excess,
19 without interest.

20 No credit shall be allowed under this subsection for any taxable year within (1) the period
21 of 10 taxable years after the most recent taxable year for which there was a final determination
22 by the commissioner that the taxpayer's claim of the credit under this subsection was based on
23 information that the taxpayer knew or had reason to know was false, fraudulent or deliberately
24 misleading as to a material matter, or (2) the period of 2 taxable years after the most recent
25 taxable year for which there was a final determination by the commissioner that the taxpayer's
26 claim of credit under this subsection was due to careless, reckless or intentional disregard by the
27 taxpayer of the tax laws of the commonwealth or of public written statements issued by the
28 commissioner.

29 In order to ensure the widest possible dissemination of the state and federal earned
30 income credit, the department shall: (i) provide all employers with a multilingual poster and a
31 notice that sets forth the rights to the earned income credit under this chapter; (ii) require that all
32 employers doing business in the commonwealth post information about the earned income credit
33 in a conspicuous location at the place of employment; (iii) coordinate a notification system by
34 the commonwealth about the earned income credit to applicants for and recipients of
35 unemployment insurance under chapter 151A, applicants for and recipients of transitional
36 assistance benefits, including food stamps, under chapter 18, and to recipients of subsidized

37 health insurance under chapter 118E; and (iv) collaborate with labor organizations, chambers of
38 commerce, municipalities, community-based organizations, and taxpayer advocates to
39 disseminate information about the earned income credit. The multilingual poster and notice
40 requirement in clause (i) shall comply with the requirements for employer's unemployment
41 notices under clauses (i) and (iii) of subsection (d) of section 62A of chapter 151A.

42 SECTION 2. Section 1 of this act shall be effective January 1, 2020.