

**HOUSE . . . . . No. 2568**

**The Commonwealth of Massachusetts**

PRESENTED BY:

***Linda Dorcena Forry and Sal N. DiDomenico***

*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 creating an earned income tax credit for early educators.

PETITION OF:

| NAME:                         | DISTRICT/ADDRESS:            | DATE ADDED:      |
|-------------------------------|------------------------------|------------------|
| <i>Linda Dorcena Forry</i>    | <i>12th Suffolk</i>          | <i>1/16/2013</i> |
| <i>Sal N. DiDomenico</i>      | <i>Middlesex and Suffolk</i> | <i>1/16/2013</i> |
| <i>Martha M. Walz</i>         | <i>8th Suffolk</i>           |                  |
| <i>Denise Provost</i>         | <i>27th Middlesex</i>        |                  |
| <i>Marjorie C. Decker</i>     | <i>25th Middlesex</i>        |                  |
| <i>Peter V. Kocot</i>         | <i>1st Hampshire</i>         |                  |
| <i>Paul McMurtry</i>          | <i>11th Norfolk</i>          |                  |
| <i>Martin J. Walsh</i>        | <i>13th Suffolk</i>          |                  |
| <i>Cory Atkins</i>            | <i>14th Middlesex</i>        |                  |
| <i>Aaron Vega</i>             | <i>5th Hampden</i>           |                  |
| <i>Thomas P. Conroy</i>       | <i>13th Middlesex</i>        |                  |
| <i>Gloria L. Fox</i>          | <i>7th Suffolk</i>           |                  |
| <i>Paul Brodeur</i>           | <i>32nd Middlesex</i>        |                  |
| <i>Carl M. Sciortino, Jr.</i> | <i>34th Middlesex</i>        |                  |
| <i>Danielle W. Gregoire</i>   | <i>4th Middlesex</i>         |                  |

**HOUSE . . . . . No. 2568**

By Representative Forry of Boston and Senator DiDomenico, a joint petition (accompanied by bill, House, No. 2568) of Linda Dorcena Forry, Sal N. DiDomenico and others for legislation to create an earned income tax credit for early educators. Revenue.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act creating an earned income tax credit for early educators.

*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. It is the goal of the Commonwealth to promote economic development  
2 through workforce improvements and retention, ultimately leading to a strong and sustainable  
3 economy that supports all citizens of Massachusetts. The early childhood education field  
4 employs an estimated 60,000 workers and contributes \$1.5 billion to the state economy annually.  
5 Support of this sector will benefit all.

6 Section 2. (a) Section 6 of Chapter 62 of the Massachusetts General Laws is hereby  
7 amended to include an earned income tax credit for eligible child care workers, hereby referred  
8 to as “early educators.” The early educator earned income tax credit will be based on the existing  
9 tax code governing the earned income tax credit, reducing potential implementation and  
10 administrative costs. An early educator earned income tax credit shall equal 30 percent of the  
11 federal earned income tax credit received by the taxpayer for the taxable year. If the amount of  
12 the credit allowed exceeds the early educator’s liability, the commissioner shall treat such excess  
13 as an overpayment and shall pay the early educator the amount of the excess, without interest.

14 (b) “Eligible early educator” shall mean any person who meets each of the following  
15 requirements: (1) the person has been approved by the Department of Early Education and Care  
16 for the regular care and education of children unrelated to the educator in a location outside the  
17 children’s own home for all or part of the day, regardless of the early educator’s level of  
18 certification; (2) the person has been employed continuously for six months of the tax year for an  
19 average of twenty hours or more per week in an eligible child care program; and (3) the person  
20 qualifies for the existing federal earned income tax credit. The Department of Early Education  
21 and Care shall consult its records to verify the eligibility of early educators. This information

22 will be shared with the Department of Revenue with the goal of reducing potential administrative  
23 costs to the state created by an early educator earned income tax credit.

24 (c) An early educator earned income tax credit will provide an average, estimated credit  
25 of \$570 to eligible early educators annually, while costing the state an estimated \$7.5 million  
26 annually.

27 Section 3. An early educator's earned income tax credit will be reviewed five years after  
28 the tax code is amended for its inclusion. This review will assess the tax credit on the following  
29 merits: (1) its use by early educators; (2) its effectiveness in promoting job retention in the early  
30 education field; and (3) the continued need of the earned income tax credit. If it is found that  
31 there is a significant decrease in the need for an early educator earned income tax credit, the bill  
32 will be subject to sunset.