

SENATE No. 1646

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

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 healthier families.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/28/2019</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>1/29/2019</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	<i>1/29/2019</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>1/30/2019</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>1/30/2019</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	<i>1/30/2019</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/30/2019</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>1/30/2019</i>
<i>Edward J. Kennedy</i>	<i>First Middlesex</i>	<i>1/30/2019</i>
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	<i>1/31/2019</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	<i>1/31/2019</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/31/2019</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>1/31/2019</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	<i>2/1/2019</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/1/2019</i>

<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>	<i>2/1/2019</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>2/1/2019</i>
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	<i>2/1/2019</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>	<i>2/7/2019</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>2/7/2019</i>

SENATE No. 1646

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1646) of James B. Eldridge, Marjorie C. Decker, Jason M. Lewis, Tram T. Nguyen and other members of the General Court for legislation to improve the earned income credit for healthier families. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1521 OF 2017-2018.]

The Commonwealth of Massachusetts

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

An Act improving the earned income credit for healthier 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) (1) A taxpayer shall be allowed a credit against the taxes imposed by this chapter if
5 such 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 (2) For the purposes of this subsection, a married taxpayer shall satisfy the joint filing
21 requirement under section 32 of the Code if the taxpayer files an income tax return using a filing
22 status of married filing separately and the taxpayer: (i) is living apart from the taxpayer's
23 spouse at the time the taxpayer files the tax return; (ii) is unable to file a joint return because the
24 taxpayer is a victim of domestic abuse; and (iii) indicates on the taxpayer's income tax return
25 that the taxpayer meets the criteria of clauses (i) and (ii).

26 (3) No credit shall be allowed under this subsection for any taxable year within (1) the
27 period of 10 taxable years after the most recent taxable year for which there was a final
28 determination by the commissioner that the taxpayer's claim of the credit under this subsection
29 was based on information that the taxpayer knew or had reason to know was false, fraudulent or
30 deliberately misleading as to a material matter, or (2) the period of 2 taxable years after the most
31 recent taxable year for which there was a final determination by the commissioner that the
32 taxpayer's claim of credit under this subsection was due to careless, reckless or intentional

33 disregard by the taxpayer of the tax laws of the commonwealth or of public written statements
34 issued by the commissioner.

35 (4) In order to ensure the widest possible dissemination of the state and federal earned
36 income credit, the department shall: (i) provide all employers with a multilingual poster and a
37 notice that sets forth the rights to the earned income credit under this chapter; (ii) require that all
38 employers doing business in the commonwealth post information about the earned income credit
39 in a conspicuous location at the place of employment; (iii) coordinate a notification system by
40 the commonwealth about the earned income credit to applicants for and recipients of
41 unemployment insurance under chapter 151A, applicants for and recipients of transitional
42 assistance benefits, including food stamps, under chapter 18, and to recipients of subsidized
43 health insurance under chapter 118E; and (iv) collaborate with labor organizations, chambers of
44 commerce, municipalities, community-based organizations, and taxpayer advocates to
45 disseminate information about the earned income credit. The multilingual poster and notice
46 requirement in clause (i) shall comply with the requirements for employer's unemployment
47 notices under clauses (i) and (iii) of subsection (d) of section 62A of chapter 151A.

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