HOUSE DOCKET, NO. 1273 FILED ON: 1/16/2013

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 passage of the accompanying:

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

PETITION OF:

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

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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

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:

Section 1. It is the goal of the Commonwealth to promote economic development through workforce improvements and retention, ultimately leading to a strong and sustainable economy that supports all citizens of Massachusetts. The early childhood education field employs an estimated 60,000 workers and contributes $1.5 billion to the state economy annually. Support of this sector will benefit all.

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

(b) "Eligible early educator" shall mean any person who meets each of the following requirements: (1) the person has been approved by the Department of Early Education and Care for the regular care and education of children unrelated to the educator in a location outside the children's own home for all or part of the day, regardless of the early educator's level of certification; (2) the person has been employed continuously for six months of the tax year for an average of twenty hours or more per week in an eligible child care program; and (3) the person qualifies for the existing federal earned income tax credit. The Department of Early Education and Care shall consult its records to verify the eligibility of early educators. This information will be shared with the Department of Revenue with the goal of reducing potential administrative 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.