



**Testimony before the Human Services Committee**  
**Tuesday, February 27, 2007**  
**Senate Bill 146**  
**An Act Creating an Earned Income Credit Against the Personal Income Tax**  
**Submitted by Galo A. Rodriguez, MPH**

Senator Harris, Representative Villano, other members of the Human Services Committee, thank you for this opportunity to offer testimony today. I am Galo Rodriguez, President and CEO of the Village for Families & Children, Inc, a nonprofit, social service organization located in Hartford for nearly 200 years. The mission of the organization is to build a community of strong, healthy families who protect and nurture children. With this mission in mind, I am here today in support of Senate Bill 146, An Act Creating an Earned Income Credit Against the Personal Income Tax.

The Village has joined other local organizations in educating the community about the federal earned income tax credit (EITC) which allows families to claim as much as \$4,300 per family. In the city of Hartford, more than 70% of taxpayers are eligible for the federal EITC benefit; however, only 43% received it. This is our fourth year of operating two of the 15 Volunteer Income Tax Assistance (VITA) sites in Hartford. In addition to free tax preparation, the Village also offers a Financial Literacy program, an effort to help low-and moderate-income families build financial security through assets, savings, and family asset building.

In 2005, The Village assisted 171 Hartford residents with tax preparation, last year the number grew to 339 individuals who received a total of \$1 million in refunds. To date, over 218 individuals have benefited from the services offered by the Village. The Village sees firsthand how the Federal EITC helps working families become economically self-sufficient and provides an excellent opportunity for working families to invest in the future by saving for a home, a higher education, a car, or a small business. For instance, in the past year two clients of our Financial Literacy program have purchased homes.

The adoption of a state EITC in Connecticut would serve two important functions. First, it would supplement the incomes of our state's lowest income, working families, helping them make ends meet. Second, by providing these families with additional funds for their essential needs, the EITC would fuel in-state consumer spending, thereby helping the state's economy. Each of these families' investments is an investment in the Connecticut economy.

Today, the Connecticut State Legislature has the opportunity to play an important role in helping those who work hard achieve economic security for their families. Implementing a state EITC would build on the strengths of the federal EITC, which provides tax relief and refunds to low-income workers, particularly those with children.

Most importantly, the EITC helps reduce child poverty. **Research shows that the EITC now lifts more children out of poverty than any other government program.** In 2002, the EITC gave 4.9 million families and 2.7 million children a boost out of poverty.

We should do all we can so that work can be the means for someone to earn a livelihood and build for the future. These are challenging economic times for Connecticut Families, especially for low-waged heads of households. Today a fulltime job simply does not guarantee you can support your family. Low-wage workers must often cope with increased demands in supporting a family—housing, health care, child care and transportation consume the majority of the family's budget. This scenario leaves many of Connecticut's low-waged workers economically vulnerable. Thank you again, for the opportunity to offer testimony today. Thank you.