

Testimony

H.B.5526, EITC Bill

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My name is Laura O'Keefe and I coordinate the Family Financial Stability Initiative for The Village for Families & Children in Hartford. As part of my role, I oversee the Greater Hartford Volunteer Income Tax Assistance Campaign.

In the 12 plus years that I have been involved with the VITA program, I have witnessed firsthand how the Federal, and more recently the State, versions of EITC have positively impacted the lives of our families.

One of the most memorable stories that I have involves a woman who had her taxes prepared by a paid preparer for years prior to coming the VITA program. When she came to us, we discovered that she was eligible to receive the EITC, but that her paid preparer had not included it on any of her prior year returns. We have the ability to file the current tax year, plus three prior years, so we offered to do the amendments for her. Needless to say, her refund was quite impressive and she, and our team of volunteers were moved to tears of joy. A few weeks later the woman returned to the site with a huge plant to thank us for our help. Her children had decorated the card themselves. I told her how much we appreciated her generosity, but that getting us a gift was entirely unnecessary. She said, "Laura, you do not understand, you saved my home." I was a little taken aback by what she said and asked her what she meant. She said that she was in foreclosure and that the EITC for that year and the prior year, was enough to stop the foreclosure on her home. It was at that moment that I truly understood why I do this work.

Three Saturday's ago, we had a similar story at our annual Dollars and Sense Day at the Hartford Public Library. So excited to embark on the next leg of her financial journey, a filer told us that she couldn't wait to get her refund so that she and her family could move out of the shelter where they were currently living and into their new apartment.

The State EITC helps to make these dreams a reality for working families across the state of Connecticut. To step back to my first example for a moment, by helping that woman avoid foreclosure, we not only helped her personal financial situation, we helped protect the property values of her neighbors. The money that she was spending to address the personal crisis of her impending foreclosure, could then be focused on paying her other bills and be reinvested into our community...at our local grocery stores, our local day care centers, and our local gas stations. These outcomes support not only the individual family, but also strengthen the economic stability of the communities where we all live and work.

We support the study to introduce changes to the state EITC. The proposed changes will only make the most effective anti-poverty program in the state stronger and will help to support the overall financial security of our families and the community as a whole.