

# Supporting American Workers - The Earned Income Tax Credit



The Earned Income Tax Credit is a common sense tax break that helps workers who are struggling to make ends meet. The EITC should be expanded so that workers not raising children at home can put food on the table, cover rent, and have a shot at a brighter future.

## THE BASICS

The EITC is a refundable federal tax credit for lower income working people that encourages and rewards work, offsetting federal payroll and income taxes. The amount of the EITC depends on a recipient's income, marital status, and number of children. The EITC is broadly considered our nation's most effective pro-work, anti-poverty tool. Only those who work are eligible, allowing them to keep more of what they earn to pay for things like transportation to get to work and childcare for their kids. The EITC brings back billions of dollars to local communities, supporting local economies.

## THE CHALLENGE

Currently, lower-income working Americans not raising children at home access little to no EITC. Young people age 21-24 are also ineligible. So while the EITC is one of the most effective tools we have to help working families keep their heads above water, it excludes millions of workers.

## THE SOLUTION

Congress can expand this common sense policy for workers not raising children at home by increasing the size of the EITC for this group and lowering the age of eligibility to 21.

## THE SOLUTION WOULD HELP



Parents who don't live with their kids but help pay for child expenses



Young workers paying for their own higher education



Veterans who fought for our country and are finding stable ground at home

## WORKERS IN ESSENTIAL PROFESSIONS LIKE



Custodians



Home Health Aides



Retail Workers



Office and Admin Workers



Child Care Workers

# Ultimately lifting up 13 Million Americans

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# State by State Impacts of EITC Expansion for Workers without Qualifying Children in 2017

## Under Bipartisan Proposals

State	Number of State Workers Supported	State	Number of State Workers Supported
Alabama	194,000	Montana	51,000
Alaska	38,000	Nebraska	76,000
Arizona	230,000	Nevada	107,000
Arkansas	118,000	New Hampshire	58,000
California	1,495,000	New Jersey	343,000
Colorado	202,000	New Mexico	90,000
Connecticut	140,000	New York	871,000
Delaware	35,000	North Carolina	369,000
DC	24,000	North Dakota	29,000
Florida	994,000	Ohio	502,000
Georgia	468,000	Oklahoma	145,000
Hawaii	58,000	Oregon	159,000
Idaho	64,000	Pennsylvania	554,000
Illinois	525,000	Rhode Island	46,000
Indiana	275,000	South Carolina	196,000
Iowa	120,000	South Dakota	37,000
Kansas	115,000	Tennessee	287,000
Kentucky	181,000	Texas	994,000
Louisiana	185,000	Utah	99,000
Maine	62,000	Vermont	32,000
Maryland	206,000	Virginia	304,000
Massachusetts	266,000	Washington	254,000
Michigan	459,000	West Virginia	81,000
Minnesota	220,000	Wisconsin	246,000
Mississippi	125,000	Wyoming	24,000
Missouri	252,000		
<b>UNITED STATES</b>			<b>13,000,000</b>

Speaker Ryan and President Obama have almost identical proposals to double the maximum EITC for workers without children + non-custodial parents to around \$1,000 and to lower the age of eligibility to 21. Other congressional proposals go even farther.

State figures rounded to nearest 1,000; national figures rounded to nearest 100,000. National and state estimates of workers affected by the Obama and Ryan proposals in 2017 are from U.S. Department of Treasury, Office of Tax Analysis, "Expand the EITC for Workers Without Qualifying Children" [www.treasury.gov/resource-center/tax-policy/Documents/OTAR-State-Childless-EITC-Expansion-Proposal-2017.pdf](http://www.treasury.gov/resource-center/tax-policy/Documents/OTAR-State-Childless-EITC-Expansion-Proposal-2017.pdf). The number of workers helped by Speaker Ryan's proposal may be slightly smaller than listed for some states as his proposal does not extend eligibility to workers age 65 to 66, as President Obama's proposal does.