

For immediate release

January 29, 2015

Contact: Kalitha Williams, 614.221.4505

### **Legislators and advocates call for a better Earned Income Tax Credit Ohio's EITC inadequate to help working poor families**

COLUMBUS, OH – Advocates for the working poor today called on Ohio lawmakers to boost Ohio's Earned Income Tax Credit, make it refundable and eliminate the income cap in the next state budget.

The refundable federal Earned Income Tax Credit (EITC) is the nation's most powerful anti-poverty program. Between the years of 2011-2013 it lifted over 177,000 Ohioans out of poverty including 93,000 children.

Ohio implemented a state EITC in 2013 and expanded the credit last year, but it is still not enough to help the poorest families. The credit falls short because it is not refundable and it has an income cap. A refund, the result of the credit being larger than the tax owed, helps low-income families take care of their basic needs

Advocates calling for change at a press conference included Policy Matters Ohio, State Sen. Michael Skindell, State Sen. Charleta Tavares, the Ohio Association of Foodbanks, Voices for Ohio's Children, and Central Ohio business owner Charlene Williams.

"The federal refundable credit has been an important program for Ohio's children, ensuring better health, educational and work outcomes," said Dustin McKee of Voices for Ohio's Children. "Ohio's current nonrefundable EITC is not enough. Refundability is the key to ensure Ohio's children will have an opportunity to realize the benefit of our state EITC."

Aside from the federal EITC, 25 states have their own EITC and all but four of them are refundable, with the average refundable state credit at 16% of the federal credit. Last year, Ohio's credit was expanded from 5% to 10% of the federal credit. If Ohio's credit were in line with the average of state EITC's, it would be refundable, non-capped, and 16% of the federal EITC.

"Refundability matters," said Kalitha Williams, policy liaison of Policy Matters Ohio. "It's what helps boost incomes so that families, children, and local communities achieve positive outcomes."

"We keep talking about a ladder to lift people out of poverty," said State Sen. Tavares. "A ladder, a step up, a hand up to help people out. These are individuals that work. This is a credit that should be refundable."

During the last tax season, nearly 1 million Ohioans claimed the federal EITC, which brought more than \$2 billion in refunds to our state. The average Ohioan received an EITC refund of about \$2,300.