



Ohio EITC Impact:

A credit that counts for working families in House District 1

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 1

According to the most recent data available from the Brookings Institution, 7,873 residents of House District 1 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,121. In total, residents of House District 1, brought back \$16,705,667 in federal EITC to their communities.

Federal EITC impact for House District 1²

7,873
EITC households

16%
Percentage of all filers claiming
EITC

\$16,705,667
Total refunds to district

\$2,121
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 1

Making these changes to Ohio's state EITC would substantially benefit residents in House District 1. If each of the House District 1 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,672,906 to the district, and an average credit of \$340.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 1 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 7,873 EITC households | \$2,672,906 Total state EITC refund at 16 percent | \$340 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 2

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 2

According to the most recent data available from the Brookings Institution, 10,934 residents of House District 2 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,298. In total, residents of House District 2, brought back \$25,128,040 in federal EITC to their communities.

Federal EITC impact for House District 2²

10,934
EITC households

20%
Percentage of all filers claiming
EITC

\$25,128,040
Total refunds to district

\$2,298
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 2

Making these changes to Ohio's state EITC would substantially benefit residents in House District 2. If each of the House District 2 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,020,486 to the district, and an average credit of \$368.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 2 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 10,934 EITC households | \$4,020,486 Total state EITC refund at 16 percent | \$368 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 3

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 3

According to the most recent data available from the Brookings Institution, 7,491 residents of House District 3 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$1,957. In total, residents of House District 3, brought back \$14,661,445 in federal EITC to their communities.

Federal EITC impact for House District 3²

7,491
EITC households

13%
Percentage of all filers claiming
EITC

\$14,661,445
Total refunds to district

\$1,957
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 3

Making these changes to Ohio's state EITC would substantially benefit residents in House District 3. If each of the House District 3 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,345,831 to the district, and an average credit of \$313.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 3 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 7,491 EITC households | \$2,345,831 Total state EITC refund at 16 percent | \$313 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 4

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 4

According to the most recent data available from the Brookings Institution, 9,591 residents of House District 4 claimed the federal EITC.⁶ That’s 21% of District tax filers. The average federal EITC in the District was \$2,316. In total, residents of House District 4, brought back \$22,220,280 in federal EITC to their communities.

| Federal EITC impact for House District 4 ² |
|---|
| 9,591 EITC households |
| 21% Percentage of all filers claiming EITC |
| \$22,220,280 Total refunds to district |
| \$2,316 Average household refund |

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 4

Making these changes to Ohio's state EITC would substantially benefit residents in House District 4. If each of the House District 4 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,555,244 to the district, and an average credit of \$371.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 4 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 9,591 EITC households | \$3,555,244 Total state EITC refund at 16 percent | \$371 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 5

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 5

According to the most recent data available from the Brookings Institution, 8,858 residents of House District 5 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,176. In total, residents of House District 5, brought back \$19,279,013 in federal EITC to their communities.

Federal EITC impact for House District 5²

8,858
EITC households

19%
Percentage of all filers claiming
EITC

\$19,279,013
Total refunds to district

\$2,176
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 5

Making these changes to Ohio's state EITC would substantially benefit residents in House District 5. If each of the House District 5 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,084,642 to the district, and an average credit of \$348.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 5 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 8,858 EITC households | \$3,084,642 Total state EITC refund at 16 percent | \$348 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 6

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 6

According to the most recent data available from the Brookings Institution, 4,567 residents of House District 6 claimed the federal EITC.⁶ That's 8% of District tax filers. The average federal EITC in the District was \$1,901. In total, residents of House District 6, brought back \$8,680,304 in federal EITC to their communities.

Federal EITC impact for House District 6²

4,567
EITC households

8%
Percentage of all filers claiming
EITC

\$8,680,304
Total refunds to district

\$1,901
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 6

Making these changes to Ohio's state EITC would substantially benefit residents in House District 6. If each of the House District 6 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,388,848 to the district, and an average credit of \$304.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 6 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 4,567 EITC households | \$1,388,848 Total state EITC refund at 16 percent | \$304 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 7

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 7

According to the most recent data available from the Brookings Institution, 5,097 residents of House District 7 claimed the federal EITC.⁶ That's 9% of District tax filers. The average federal EITC in the District was \$1,870. In total, residents of House District 7, brought back \$9,531,994 in federal EITC to their communities.

| Federal EITC impact for House District 7 ² |
|---|
| 5,097 EITC households |
| 9% Percentage of all filers claiming EITC |
| \$9,531,994 Total refunds to district |
| \$1,870 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 7

Making these changes to Ohio's state EITC would substantially benefit residents in House District 7. If each of the House District 7 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,525,119 to the district, and an average credit of \$299.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 7 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 5,097 EITC households | \$1,525,119 Total state EITC refund at 16 percent | \$299 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 8

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 8

According to the most recent data available from the Brookings Institution, 13,163 residents of House District 8 claimed the federal EITC.⁶ That's 25% of District tax filers. The average federal EITC in the District was \$2,524. In total, residents of House District 8, brought back \$33,226,256 in federal EITC to their communities.

Federal EITC impact for House District 8²

13,163
EITC households

25%
Percentage of all filers claiming
EITC

\$33,226,256
Total refunds to district

\$2,524
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 8

Making these changes to Ohio's state EITC would substantially benefit residents in House District 8. If each of the House District 8 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,316,200 to the district, and an average credit of \$404.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 8 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 13,163 EITC households | \$5,316,200 Total state EITC refund at 16 percent | \$404 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 9

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 9

According to the most recent data available from the Brookings Institution, 12,902 residents of House District 9 claimed the federal EITC.⁶ That's 27% of District tax filers. The average federal EITC in the District was \$2,646. In total, residents of House District 9, brought back \$34,143,163 in federal EITC to their communities.

Federal EITC impact for House District 9²

12,902
EITC households

27%
Percentage of all filers claiming
EITC

\$34,143,163
Total refunds to district

\$2,646
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 9

Making these changes to Ohio's state EITC would substantially benefit residents in House District 9. If each of the House District 9 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,462,906 to the district, and an average credit of \$423.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 9 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|---|---|---|
| 12,902 EITC households | \$5,462,906 Total state EITC refund at 16 percent | \$423 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 10

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 10

According to the most recent data available from the Brookings Institution, 16,351 residents of House District 10 claimed the federal EITC.⁶ That's 37% of District tax filers. The average federal EITC in the District was \$2,697. In total, residents of House District 10, brought back \$44,108,854 in federal EITC to their communities.

Federal EITC impact for House District 10²

16,351
EITC households

37%
Percentage of all filers claiming
EITC

\$44,108,854
Total refunds to district

\$2,697
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 10

Making these changes to Ohio's state EITC would substantially benefit residents in House District 10. If each of the House District 10 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$7,057,416 to the district, and an average credit of \$432.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 10 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 16,351 EITC households | \$7,057,416 Total state EITC refund at 16 percent | \$432 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 11

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 11

According to the most recent data available from the Brookings Institution, 17,844 residents of House District 11 claimed the federal EITC.⁶ That's 40% of District tax filers. The average federal EITC in the District was \$2,833. In total, residents of House District 11, brought back \$50,550,103 in federal EITC to their communities.

| Federal EITC impact for House District 11 ² |
|--|
| 17,844 EITC households |
| 40% Percentage of all filers claiming EITC |
| \$50,550,103 Total refunds to district |
| \$2,833 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 11

Making these changes to Ohio's state EITC would substantially benefit residents in House District 11. If each of the House District 11 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$8,088,016 to the district, and an average credit of \$453.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 11 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 17,844 EITC households | \$8,088,016 Total state EITC refund at 16 percent | \$453 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 12

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 12

According to the most recent data available from the Brookings Institution, 12,410 residents of House District 12 claimed the federal EITC.⁶ That's 23% of District tax filers. The average federal EITC in the District was \$2,484. In total, residents of House District 12, brought back \$30,822,741 in federal EITC to their communities.

Federal EITC impact for House District 12²

12,410
EITC households

23%
Percentage of all filers claiming
EITC

\$30,822,741
Total refunds to district

\$2,484
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 12

Making these changes to Ohio's state EITC would substantially benefit residents in House District 12. If each of the House District 12 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,931,638 to the district, and an average credit of \$397.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 12 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 12,410 EITC households | \$4,931,638 Total state EITC refund at 16 percent | \$397 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 13

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 13

According to the most recent data available from the Brookings Institution, 12,847 residents of House District 13 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,430. In total, residents of House District 13, brought back \$31,223,519 in federal EITC to their communities.

Federal EITC impact for House District 13²

12,847
EITC households

16%
Percentage of all filers claiming
EITC

\$31,223,519
Total refunds to district

\$2,430
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 13

Making these changes to Ohio's state EITC would substantially benefit residents in House District 13. If each of the House District 13 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,995,763 to the district, and an average credit of \$389.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 13 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 12,847 EITC households | \$4,995,763 Total state EITC refund at 16 percent | \$389 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 14

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 14

According to the most recent data available from the Brookings Institution, 10,554 residents of House District 14 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,295. In total, residents of House District 14, brought back \$24,226,156 in federal EITC to their communities.

| Federal EITC impact for House District 14 ² |
|--|
| 10,554 EITC households |
| 19% Percentage of all filers claiming EITC |
| \$24,226,156 Total refunds to district |
| \$2,295 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 14

Making these changes to Ohio's state EITC would substantially benefit residents in House District 14. If each of the House District 14 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,876,184 to the district, and an average credit of \$367.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 14 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,554 EITC households | \$3,876,184 Total state EITC refund at 16 percent | \$367 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 15

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 15

According to the most recent data available from the Brookings Institution, 9,974 residents of House District 15 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,254. In total, residents of House District 15, brought back \$22,480,145 in federal EITC to their communities.

Federal EITC impact for House District 15²

9,974
EITC households

18%
Percentage of all filers claiming
EITC

\$22,480,145
Total refunds to district

\$2,254
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 15

Making these changes to Ohio's state EITC would substantially benefit residents in House District 15. If each of the House District 15 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,596,823 to the district, and an average credit of \$361.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 15 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,974 EITC households | \$3,596,823 Total state EITC refund at 16 percent | \$361 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 16

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 16

According to the most recent data available from the Brookings Institution, 5,072 residents of House District 16 claimed the federal EITC.⁶ That's 9% of District tax filers. The average federal EITC in the District was \$1,953. In total, residents of House District 16, brought back \$9,904,219 in federal EITC to their communities.

| Federal EITC impact for House District 16 ² |
|--|
| 5,072 EITC households |
| 9% Percentage of all filers claiming EITC |
| \$9,904,219 Total refunds to district |
| \$1,953 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 16

Making these changes to Ohio's state EITC would substantially benefit residents in House District 16. If each of the House District 16 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,584,675 to the district, and an average credit of \$312.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 16 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 5,072 EITC households | \$1,584,675 Total state EITC refund at 16 percent | \$312 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 17

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 17

According to the most recent data available from the Brookings Institution, 13,597 residents of House District 17 claimed the federal EITC.⁶ That's 29% of District tax filers. The average federal EITC in the District was \$2,615. In total, residents of House District 17, brought back \$35,556,601 in federal EITC to their communities.

| Federal EITC impact for House District 17 ² |
|--|
| 13,597 EITC households |
| 29% Percentage of all filers claiming EITC |
| \$35,556,601 Total refunds to district |
| \$2,615 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 17

Making these changes to Ohio's state EITC would substantially benefit residents in House District 17. If each of the House District 17 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,689,056 to the district, and an average credit of \$418.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 17 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,597 EITC households | \$5,689,056 Total state EITC refund at 16 percent | \$418 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 18

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 18

According to the most recent data available from the Brookings Institution, 8,618 residents of House District 18 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,262. In total, residents of House District 18, brought back \$19,492,716 in federal EITC to their communities.

| Federal EITC impact for House District 18 ² |
|--|
| 8,618 EITC households |
| 19% Percentage of all filers claiming EITC |
| \$19,492,716 Total refunds to district |
| \$2,262 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 18

Making these changes to Ohio's state EITC would substantially benefit residents in House District 18. If each of the House District 18 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,118,834 to the district, and an average credit of \$362.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 18 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,618 EITC households | \$3,118,834 Total state EITC refund at 16 percent | \$362 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 19

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 19

According to the most recent data available from the Brookings Institution, 6,103 residents of House District 19 claimed the federal EITC.⁶ That's 11% of District tax filers. The average federal EITC in the District was \$2,129. In total, residents of House District 19, brought back \$12,992,821 in federal EITC to their communities.

Federal EITC impact for House District 19²

6,103
EITC households

11%
Percentage of all filers claiming
EITC

\$12,992,821
Total refunds to district

\$2,129
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 19

Making these changes to Ohio's state EITC would substantially benefit residents in House District 19. If each of the House District 19 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,078,851 to the district, and an average credit of \$341.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 19 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,103 EITC households | \$2,078,851 Total state EITC refund at 16 percent | \$341 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 20

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 20

According to the most recent data available from the Brookings Institution, 12,215 residents of House District 20 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,448. In total, residents of House District 20, brought back \$29,904,157 in federal EITC to their communities.

| Federal EITC impact for House District 20 ² |
|--|
| 12,215 EITC households |
| 21% Percentage of all filers claiming EITC |
| \$29,904,157 Total refunds to district |
| \$2,448 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 20

Making these changes to Ohio's state EITC would substantially benefit residents in House District 20. If each of the House District 20 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,784,665 to the district, and an average credit of \$392.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 20 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 12,215 EITC households | \$4,784,665 Total state EITC refund at 16 percent | \$392 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 21

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 21

According to the most recent data available from the Brookings Institution, 4,471 residents of House District 21 claimed the federal EITC.⁶ That's 7% of District tax filers. The average federal EITC in the District was \$1,940. In total, residents of House District 21, brought back \$8,674,701 in federal EITC to their communities.

Federal EITC impact for House District 21²

4,471
EITC households

7%
Percentage of all filers claiming
EITC

\$8,674,701
Total refunds to district

\$1,940
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 21

Making these changes to Ohio's state EITC would substantially benefit residents in House District 21. If each of the House District 21 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,387,952 to the district, and an average credit of \$310.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 21 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 4,471 EITC households | \$1,387,952 Total state EITC refund at 16 percent | \$310 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 22

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 22

According to the most recent data available from the Brookings Institution, 13,289 residents of House District 22 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,376. In total, residents of House District 22, brought back \$31,576,415 in federal EITC to their communities.

| Federal EITC impact for House District 22 ² |
|--|
| 13,289 EITC households |
| 21% Percentage of all filers claiming EITC |
| \$31,576,415 Total refunds to district |
| \$2,376 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 22

Making these changes to Ohio's state EITC would substantially benefit residents in House District 22. If each of the House District 22 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,052,226 to the district, and an average credit of \$380.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 22 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,289 EITC households | \$5,052,226 Total state EITC refund at 16 percent | \$380 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 23

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 23

According to the most recent data available from the Brookings Institution, 10,016 residents of House District 23 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,438. In total, residents of House District 23, brought back \$24,422,794 in federal EITC to their communities.

Federal EITC impact for House District 23²

10,016
EITC households

17%
Percentage of all filers claiming
EITC

\$24,422,794
Total refunds to district

\$2,438
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 23

Making these changes to Ohio's state EITC would substantially benefit residents in House District 23. If each of the House District 23 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,907,647 to the district, and an average credit of \$390.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 23 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,016 EITC households | \$3,907,647 Total state EITC refund at 16 percent | \$390 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 24

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 24

According to the most recent data available from the Brookings Institution, 5,559 residents of House District 24 claimed the federal EITC.⁶ That's 10% of District tax filers. The average federal EITC in the District was \$2,056. In total, residents of House District 24, brought back \$11,430,419 in federal EITC to their communities.

Federal EITC impact for House District 24²

5,559
EITC households

10%
Percentage of all filers claiming
EITC

\$11,430,419
Total refunds to district

\$2,056
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 24

Making these changes to Ohio's state EITC would substantially benefit residents in House District 24. If each of the House District 24 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,828,867 to the district, and an average credit of \$328.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 24 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 5,559 EITC households | \$1,828,867 Total state EITC refund at 16 percent | \$328 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 25

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 25

According to the most recent data available from the Brookings Institution, 17,600 residents of House District 25 claimed the federal EITC.⁶ That's 33% of District tax filers. The average federal EITC in the District was \$2,695. In total, residents of House District 25, brought back \$47,424,391 in federal EITC to their communities.

| Federal EITC impact for House District 25 ² |
|--|
| 17,600 EITC households |
| 33% Percentage of all filers claiming EITC |
| \$47,424,391 Total refunds to district |
| \$2,695 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 25

Making these changes to Ohio's state EITC would substantially benefit residents in House District 25. If each of the House District 25 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$7,587,902 to the district, and an average credit of \$431.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 25 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 17,600 EITC households | \$7,587,902 Total state EITC refund at 16 percent | \$431 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 26

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 26

According to the most recent data available from the Brookings Institution, 17,497 residents of House District 26 claimed the federal EITC.⁶ That's 31% of District tax filers. The average federal EITC in the District was \$2,588. In total, residents of House District 26, brought back \$45,283,831 in federal EITC to their communities.

Federal EITC impact for House District 26²

17,497
EITC households

31%
Percentage of all filers claiming
EITC

\$45,283,831
Total refunds to district

\$2,588
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 26

Making these changes to Ohio's state EITC would substantially benefit residents in House District 26. If each of the House District 26 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$7,245,412 to the district, and an average credit of \$414.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 26 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 17,497 EITC households | \$7,245,412 Total state EITC refund at 16 percent | \$414 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 27

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 27

According to the most recent data available from the Brookings Institution, 5,338 residents of House District 27 claimed the federal EITC.⁶ That's 10% of District tax filers. The average federal EITC in the District was \$2,023. In total, residents of House District 27, brought back \$10,798,342 in federal EITC to their communities.

Federal EITC impact for House District 27²

5,338
EITC households

10%
Percentage of all filers claiming
EITC

\$10,798,342
Total refunds to district

\$2,023
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 27

Making these changes to Ohio's state EITC would substantially benefit residents in House District 27. If each of the House District 27 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,727,734 to the district, and an average credit of \$324.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 27 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 5,338 EITC households | \$1,727,734 Total state EITC refund at 16 percent | \$324 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 28

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 28

According to the most recent data available from the Brookings Institution, 8,410 residents of House District 28 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,091. In total, residents of House District 28, brought back \$19,269,389 in federal EITC to their communities.

Federal EITC impact for House District 28²

8,410
EITC households

14%
Percentage of all filers claiming
EITC

\$19,269,389
Total refunds to district

\$2,091
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 28

Making these changes to Ohio's state EITC would substantially benefit residents in House District 28. If each of the House District 28 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,083,102 to the district, and an average credit of \$366.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 28 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,410 EITC households | \$3,083,102 Total state EITC refund at 16 percent | \$366 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 29

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 29

According to the most recent data available from the Brookings Institution, 9,621 residents of House District 29 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,399. In total, residents of House District 29, brought back \$23,086,198 in federal EITC to their communities.

| Federal EITC impact for House District 29 ² |
|--|
| 9,621 EITC households |
| 18% Percentage of all filers claiming EITC |
| \$23,086,198 Total refunds to district |
| \$2,399 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 29

Making these changes to Ohio's state EITC would substantially benefit residents in House District 29. If each of the House District 29 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,693,791 to the district, and an average credit of \$384.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 29 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,621 EITC households | \$3,693,791 Total state EITC refund at 16 percent | \$384 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 30

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 30

According to the most recent data available from the Brookings Institution, 9,018 residents of House District 30 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,379. In total, residents of House District 30, brought back \$21,458,249 in federal EITC to their communities.

| Federal EITC impact for House District 30 ² |
|--|
| 9,018 EITC households |
| 17% Percentage of all filers claiming EITC |
| \$21,458,249 Total refunds to district |
| \$2,379 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 30

Making these changes to Ohio's state EITC would substantially benefit residents in House District 30. If each of the House District 30 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,433,319 to the district, and an average credit of \$381.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 30 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,018 EITC households | \$3,433,319 Total state EITC refund at 16 percent | \$381 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 31

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 31

According to the most recent data available from the Brookings Institution, 9,557 residents of House District 31 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,262. In total, residents of House District 31, brought back \$21,327,508 in federal EITC to their communities.

Federal EITC impact for House District 31²

9,557
EITC households

20%
Percentage of all filers claiming
EITC

\$21,327,508
Total refunds to district

\$2,262
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 31

Making these changes to Ohio's state EITC would substantially benefit residents in House District 31. If each of the House District 31 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,412,401 to the district, and an average credit of \$357.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 31 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,557 EITC households | \$3,412,401 Total state EITC refund at 16 percent | \$357 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 32

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 32

According to the most recent data available from the Brookings Institution, 15,321 residents of House District 32 claimed the federal EITC.⁶ That's 29% of District tax filers. The average federal EITC in the District was \$2,593. In total, residents of House District 32, brought back \$39,729,377 in federal EITC to their communities.

Federal EITC impact for House District 32²

15,321
EITC households

29%
Percentage of all filers claiming
EITC

\$39,729,377
Total refunds to district

\$2,593
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 32

Making these changes to Ohio's state EITC would substantially benefit residents in House District 32. If each of the House District 32 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$6,356,700 to the district, and an average credit of \$415.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 32 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 15,321 EITC households | \$6,356,700 Total state EITC refund at 16 percent | \$415 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 33

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 33

According to the most recent data available from the Brookings Institution, 13,400 residents of House District 33 claimed the federal EITC.⁶ That's 27% of District tax filers. The average federal EITC in the District was \$2,522. In total, residents of House District 33, brought back \$33,788,781 in federal EITC to their communities.

| Federal EITC impact for House District 33 ² |
|--|
| 13,400 EITC households |
| 27% Percentage of all filers claiming EITC |
| \$33,788,781 Total refunds to district |
| \$2,522 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 33

Making these changes to Ohio's state EITC would substantially benefit residents in House District 33. If each of the House District 33 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,406,204 to the district, and an average credit of \$403.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 33 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,400 EITC households | \$5,406,204 Total state EITC refund at 16 percent | \$403 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 34

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 34

According to the most recent data available from the Brookings Institution, 13,144 residents of House District 34 claimed the federal EITC.⁶ That's 27% of District tax filers. The average federal EITC in the District was \$2,465. In total, residents of House District 34, brought back \$32,405,861 in federal EITC to their communities.

| Federal EITC impact for House District 34 ² |
|--|
| 13,144 EITC households |
| 27% Percentage of all filers claiming EITC |
| \$32,405,861 Total refunds to district |
| \$2,465 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 34

Making these changes to Ohio's state EITC would substantially benefit residents in House District 34. If each of the House District 34 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,184,937 to the district, and an average credit of \$394.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 34 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,144 EITC households | \$5,184,937 Total state EITC refund at 16 percent | \$394 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 35

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 35

According to the most recent data available from the Brookings Institution, 13,714 residents of House District 35 claimed the federal EITC.⁶ That's 27% of District tax filers. The average federal EITC in the District was \$2,430. In total, residents of House District 35, brought back \$33,325,837 in federal EITC to their communities.

| Federal EITC impact for House District 35 ² |
|--|
| 13,714 EITC households |
| 27% Percentage of all filers claiming EITC |
| \$33,325,837 Total refunds to district |
| \$2,430 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 35

Making these changes to Ohio's state EITC would substantially benefit residents in House District 35. If each of the House District 35 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,332,133 to the district, and an average credit of \$389.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 35 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,714 EITC households | \$5,332,133 Total state EITC refund at 16 percent | \$389 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 36

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 36

According to the most recent data available from the Brookings Institution, 7,673 residents of House District 36 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$1,970. In total, residents of House District 36, brought back \$15,117,226 in federal EITC to their communities.

Federal EITC impact for House District 36²

7,673
EITC households

13%
Percentage of all filers claiming
EITC

\$15,117,226
Total refunds to district

\$1,970
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 36

Making these changes to Ohio's state EITC would substantially benefit residents in House District 36. If each of the House District 36 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,418,756 to the district, and an average credit of \$315.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 36 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,673 EITC households | \$2,418,756 Total state EITC refund at 16 percent | \$315 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 37

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 37

According to the most recent data available from the Brookings Institution, 4,584 residents of House District 37 claimed the federal EITC.⁶ That's 8% of District tax filers. The average federal EITC in the District was \$1,837. In total, residents of House District 37, brought back \$8,419,659 in federal EITC to their communities.

Federal EITC impact for House District 37²

4,584
EITC households

8%
Percentage of all filers claiming
EITC

\$8,419,659
Total refunds to district

\$1,837
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 37

Making these changes to Ohio's state EITC would substantially benefit residents in House District 37. If each of the House District 37 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,347,145 to the district, and an average credit of \$394.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 37 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 4,584 EITC households | \$1,347,145 Total state EITC refund at 16 percent | \$394 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 38

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 38

According to the most recent data available from the Brookings Institution, 6,135 residents of House District 38 claimed the federal EITC.⁶ That's 12% of District tax filers. The average federal EITC in the District was \$2,022. In total, residents of House District 38, brought back \$12,403,436 in federal EITC to their communities.

| Federal EITC impact for House District 38 ² |
|--|
| 6,135 EITC households |
| 12% Percentage of all filers claiming EITC |
| \$12,403,436 Total refunds to district |
| \$2,022 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 38

Making these changes to Ohio's state EITC would substantially benefit residents in House District 38. If each of the House District 38 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,984,549 to the district, and an average credit of \$323.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 38 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,135 EITC households | \$1,984,549 Total state EITC refund at 16 percent | \$323 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 39

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 39

According to the most recent data available from the Brookings Institution, 14,942 residents of House District 39 claimed the federal EITC.⁶ That's 36% of District tax filers. The average federal EITC in the District was \$2,693. In total, residents of House District 39, brought back \$40,245,839 in federal EITC to their communities.

Federal EITC impact for House District 39²

14,942
EITC households

36%
Percentage of all filers claiming
EITC

\$40,245,839
Total refunds to district

\$2,693
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 39

Making these changes to Ohio's state EITC would substantially benefit residents in House District 39. If each of the House District 39 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$6,439,334 to the district, and an average credit of \$431.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 39 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 14,942 EITC households | \$6,439,334 Total state EITC refund at 16 percent | \$431 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 40

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 40

According to the most recent data available from the Brookings Institution, 10,632 residents of House District 40 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,393. In total, residents of House District 40, brought back \$25,443,663 in federal EITC to their communities.

| Federal EITC impact for House District 40 ² |
|--|
| 10,632 EITC households |
| 20% Percentage of all filers claiming EITC |
| \$25,443,663 Total refunds to district |
| \$2,393 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 40

Making these changes to Ohio's state EITC would substantially benefit residents in House District 40. If each of the House District 40 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,070,986 to the district, and an average credit of \$383.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 40 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,632 EITC households | \$4,070,986 Total state EITC refund at 16 percent | \$383 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 41

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 41

According to the most recent data available from the Brookings Institution, 7,267 residents of House District 41 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$2,014. In total, residents of House District 41, brought back \$14,635,752 in federal EITC to their communities.

Federal EITC impact for House District 41²

7,267
EITC households

13%
Percentage of all filers claiming
EITC

\$14,635,752
Total refunds to district

\$2,014
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 41

Making these changes to Ohio's state EITC would substantially benefit residents in House District 41. If each of the House District 41 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,341,720 to the district, and an average credit of \$322.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 41 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,267 EITC households | \$2,341,720 Total state EITC refund at 16 percent | \$322 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 42

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 42

According to the most recent data available from the Brookings Institution, 7,688 residents of House District 42 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,177. In total, residents of House District 42, brought back \$16,738,085 in federal EITC to their communities.

Federal EITC impact for House District 42²

7,688
EITC households

14%
Percentage of all filers claiming
EITC

\$16,738,085
Total refunds to district

\$2,177
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 42

Making these changes to Ohio's state EITC would substantially benefit residents in House District 42. If each of the House District 42 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,678,093 to the district, and an average credit of \$348.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 42 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,688 EITC households | \$2,678,093 Total state EITC refund at 16 percent | \$348 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 43

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 43

According to the most recent data available from the Brookings Institution, 11,943 residents of House District 43 claimed the federal EITC.⁶ That's 22% of District tax filers. The average federal EITC in the District was \$2,454. In total, residents of House District 43, brought back \$29,310,314 in federal EITC to their communities.

Federal EITC impact for House District 43²

| |
|--|
| 11,943 |
| EITC households |
| 22% |
| Percentage of all filers claiming EITC |
| \$29,310,314 |
| Total refunds to district |
| \$2,454 |
| Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 43

Making these changes to Ohio's state EITC would substantially benefit residents in House District 43. If each of the House District 43 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,689,650 to the district, and an average credit of \$393.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 43 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,943 EITC households | \$4,689,650 Total state EITC refund at 16 percent | \$393 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 44

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 44

According to the most recent data available from the Brookings Institution, 14,321 residents of House District 44 claimed the federal EITC.⁶ That's 32% of District tax filers. The average federal EITC in the District was \$2,566. In total, residents of House District 44, brought back \$36,742,353 in federal EITC to their communities.

Federal EITC impact for House District 44²

14,321
EITC households

32%
Percentage of all filers claiming
EITC

\$36,742,353
Total refunds to district

\$2,566
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 44

Making these changes to Ohio's state EITC would substantially benefit residents in House District 44. If each of the House District 44 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,878,776 to the district, and an average credit of \$411.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 44 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 14,321 EITC households | \$5,878,776 Total state EITC refund at 16 percent | \$411 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 45

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 45

According to the most recent data available from the Brookings Institution, 12,909 residents of House District 45 claimed the federal EITC.⁶ That's 25% of District tax filers. The average federal EITC in the District was \$2,442. In total, residents of House District 45, brought back \$31,522,600 in federal EITC to their communities.

Federal EITC impact for House District 45²

12,909
EITC households

25%
Percentage of all filers claiming
EITC

\$31,522,600
Total refunds to district

\$2,442
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 45

Making these changes to Ohio's state EITC would substantially benefit residents in House District 45. If each of the House District 45 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,043,616 to the district, and an average credit of \$391.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 45 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 12,909 EITC households | \$5,043,616 Total state EITC refund at 16 percent | \$391 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 46

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 46

According to the most recent data available from the Brookings Institution, 10,364 residents of House District 46 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,318. In total, residents of House District 46, brought back \$24,021,504 in federal EITC to their communities.

| Federal EITC impact for House District 46 ² |
|--|
| 10,364 EITC households |
| 19% Percentage of all filers claiming EITC |
| \$24,021,504 Total refunds to district |
| \$2,318 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 46

Making these changes to Ohio's state EITC would substantially benefit residents in House District 46. If each of the House District 46 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,843,440 to the district, and an average credit of \$371.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 46 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,364 EITC households | \$3,843,440 Total state EITC refund at 16 percent | \$371 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 47

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 47

According to the most recent data available from the Brookings Institution, 6,320 residents of House District 47 claimed the federal EITC.⁶ That's 12% of District tax filers. The average federal EITC in the District was \$2,069. In total, residents of House District 47, brought back \$13,073,755 in federal EITC to their communities.

Federal EITC impact for House District 47²

6,320
EITC households

12%
Percentage of all filers claiming
EITC

\$13,073,755
Total refunds to district

\$2,069
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 47

Making these changes to Ohio's state EITC would substantially benefit residents in House District 47. If each of the House District 47 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,091,800 to the district, and an average credit of \$331.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 47 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,320 EITC households | \$2,091,800 Total state EITC refund at 16 percent | \$331 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 48

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 48

According to the most recent data available from the Brookings Institution, 8,501 residents of House District 48 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,138. In total, residents of House District 48, brought back \$18,175,323 in federal EITC to their communities.

| Federal EITC impact for House District 48 ² |
|--|
| 8,501 EITC households |
| 15% Percentage of all filers claiming EITC |
| \$18,175,323 Total refunds to district |
| \$2,138 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 48

Making these changes to Ohio's state EITC would substantially benefit residents in House District 48. If each of the House District 48 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,908,051 to the district, and an average credit of \$342.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 48 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,501 EITC households | \$2,908,051 Total state EITC refund at 16 percent | \$342 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 49

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 49

According to the most recent data available from the Brookings Institution, 12,983 residents of House District 49 claimed the federal EITC.⁶ That's 24% of District tax filers. The average federal EITC in the District was \$2,346. In total, residents of House District 49, brought back \$30,456,044 in federal EITC to their communities.

Federal EITC impact for House District 49²

12,983
EITC households

24%
Percentage of all filers claiming
EITC

\$30,456,044
Total refunds to district

\$2,346
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 49

Making these changes to Ohio's state EITC would substantially benefit residents in House District 49. If each of the House District 49 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,872,967 to the district, and an average credit of \$375.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 49 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 12,983 EITC households | \$4,872,967 Total state EITC refund at 16 percent | \$375 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 50

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 50

According to the most recent data available from the Brookings Institution, 7,802 residents of House District 50 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,126. In total, residents of House District 50, brought back \$16,589,908 in federal EITC to their communities.

Federal EITC impact for House District 50²

7,802
EITC households

15%
Percentage of all filers claiming
EITC

\$16,589,908
Total refunds to district

\$2,126
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 50

Making these changes to Ohio's state EITC would substantially benefit residents in House District 50. If each of the House District 50 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,654,385 to the district, and an average credit of \$340.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 50 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,802 EITC households | \$2,654,385 Total state EITC refund at 16 percent | \$340 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 51

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 51

According to the most recent data available from the Brookings Institution, 9,732 residents of House District 51 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,304. In total, residents of House District 51, brought back \$22,424,369 in federal EITC to their communities.

| Federal EITC impact for House District 51 ² |
|--|
| 9,732 EITC households |
| 18% Percentage of all filers claiming EITC |
| \$22,424,369 Total refunds to district |
| \$2,304 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 51

Making these changes to Ohio's state EITC would substantially benefit residents in House District 51. If each of the House District 51 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,587,899 to the district, and an average credit of \$369.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 51 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,732 EITC households | \$3,587,899 Total state EITC refund at 16 percent | \$369 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 52

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 52

According to the most recent data available from the Brookings Institution, 6,995 residents of House District 52 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,331. In total, residents of House District 52, brought back \$16,309,701 in federal EITC to their communities.

Federal EITC impact for House District 52²

6,995
EITC households

14%
Percentage of all filers claiming
EITC

\$16,309,701
Total refunds to district

\$2,331
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 52

Making these changes to Ohio's state EITC would substantially benefit residents in House District 52. If each of the House District 52 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,609,552 to the district, and an average credit of \$373.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 52 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,995 EITC households | \$2,609,552 Total state EITC refund at 16 percent | \$373 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 53

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 53

According to the most recent data available from the Brookings Institution, 8,015 residents of House District 53 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,284. In total, residents of House District 53, brought back \$18,305,986 in federal EITC to their communities.

| Federal EITC impact for House District 53 ² |
|--|
| 8,015 EITC households |
| 17% Percentage of all filers claiming EITC |
| \$18,305,986 Total refunds to district |
| \$2,284 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 53

Making these changes to Ohio's state EITC would substantially benefit residents in House District 53. If each of the House District 53 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,928,957 to the district, and an average credit of \$365.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 53 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,015 EITC households | \$2,928,957 Total state EITC refund at 16 percent | \$365 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 54

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

| Federal EITC impact for House District 54 ² |
|--|
| 6,053 EITC households |
| 11% Percentage of all filers claiming EITC |
| \$13,089,591 Total refunds to district |
| \$2,162 Average household refund |

The federal EITC in House District 54

According to the most recent data available from the Brookings Institution, 6,053 residents of House District 54 claimed the federal EITC.⁶ That’s 11% of District tax filers. The average federal EITC in the District was \$2,162. In total, residents of House District 54, brought back \$13,089,591 in federal EITC to their communities.

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 54

Making these changes to Ohio's state EITC would substantially benefit residents in House District 54. If each of the House District 54 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,094,334 to the district, and an average credit of \$346.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 54 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,053 EITC households | \$2,094,334 Total state EITC refund at 16 percent | \$346 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 55

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 55

According to the most recent data available from the Brookings Institution, 8,620 residents of House District 55 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,221. In total, residents of House District 55, brought back \$19,146,820 in federal EITC to their communities.

| Federal EITC impact for House District 55 ² |
|--|
| 8,620 EITC households |
| 16% Percentage of all filers claiming EITC |
| \$19,146,820 Total refunds to district |
| \$2,221 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 55

Making these changes to Ohio's state EITC would substantially benefit residents in House District 55. If each of the House District 55 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,063,491 to the district, and an average credit of \$355.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 55 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,620 EITC households | \$3,063,491 Total state EITC refund at 16 percent | \$355 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 56

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 56

According to the most recent data available from the Brookings Institution, 11,520 residents of House District 56 claimed the federal EITC.⁶ That's 22% of District tax filers. The average federal EITC in the District was \$2,437. In total, residents of House District 56, brought back \$28,071,418 in federal EITC to their communities.

Federal EITC impact for House District 56²

| |
|--|
| 11,520 |
| EITC households |
| 22% |
| Percentage of all filers claiming EITC |
| \$28,071,418 |
| Total refunds to district |
| \$2,437 |
| Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 56

Making these changes to Ohio's state EITC would substantially benefit residents in House District 56. If each of the House District 56 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,491,426 to the district, and an average credit of \$389.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 56 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,520 EITC households | \$4,491,426 Total state EITC refund at 16 percent | \$389 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 57

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 57

According to the most recent data available from the Brookings Institution, 7,984 residents of House District 57 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,137. In total, residents of House District 57, brought back \$17,065,150 in federal EITC to their communities.

Federal EITC impact for House District 57²

7,984
EITC households

14%
Percentage of all filers claiming
EITC

\$17,065,150
Total refunds to district

\$2,137
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 57

Making these changes to Ohio's state EITC would substantially benefit residents in House District 57. If each of the House District 57 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,730,424 to the district, and an average credit of \$342.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 57 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,984 EITC households | \$2,730,424 Total state EITC refund at 16 percent | \$342 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 58

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 58

According to the most recent data available from the Brookings Institution, 13,638 residents of House District 58 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,492. In total, residents of House District 58, brought back \$33,990,238 in federal EITC to their communities.

| Federal EITC impact for House District 58 ² |
|--|
| 13,638 EITC households |
| 17% Percentage of all filers claiming EITC |
| \$33,990,238 Total refunds to district |
| \$2,492 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 58

Making these changes to Ohio's state EITC would substantially benefit residents in House District 58. If each of the House District 58 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,438,438 to the district, and an average credit of \$399.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 58 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 13,638 EITC households | \$5,438,438 Total state EITC refund at 16 percent | \$399 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 59

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 59

According to the most recent data available from the Brookings Institution, 7,568 residents of House District 59 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,041. In total, residents of House District 59, brought back \$15,447,313 in federal EITC to their communities.

Federal EITC impact for House District 59²

7,568
EITC households

14%
Percentage of all filers claiming
EITC

\$15,447,313
Total refunds to district

\$2,041
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 59

Making these changes to Ohio's state EITC would substantially benefit residents in House District 59. If each of the House District 59 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,471,570 to the district, and an average credit of \$327.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 59 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,568 EITC households | \$2,471,570 Total state EITC refund at 16 percent | \$327 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 60

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 60

According to the most recent data available from the Brookings Institution, 7,037 residents of House District 60 claimed the federal EITC.⁶ That's 12% of District tax filers. The average federal EITC in the District was \$2,040. In total, residents of House District 60, brought back \$14,359,961 in federal EITC to their communities.

Federal EITC impact for House District 60²

7,037
EITC households

12%
Percentage of all filers claiming
EITC

\$14,359,961
Total refunds to district

\$2,040
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 60

Making these changes to Ohio's state EITC would substantially benefit residents in House District 60. If each of the House District 60 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,297,593 to the district, and an average credit of \$327.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 60 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,037 EITC households | \$2,297,593 Total state EITC refund at 16 percent | \$327 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 61

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 61

According to the most recent data available from the Brookings Institution, 7,155 residents of House District 61 claimed the federal EITC.⁶ That's 12% of District tax filers. The average federal EITC in the District was \$2,065. In total, residents of House District 61, brought back \$14,772,967 in federal EITC to their communities.

| Federal EITC impact for House District 61 ² |
|--|
| 7,155 EITC households |
| 12% Percentage of all filers claiming EITC |
| \$14,772,967 Total refunds to district |
| \$2,065 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 61

Making these changes to Ohio's state EITC would substantially benefit residents in House District 61. If each of the House District 61 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,363,674 to the district, and an average credit of \$330.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 61 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,155 EITC households | \$2,363,674 Total state EITC refund at 16 percent | \$330 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 62

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 62

According to the most recent data available from the Brookings Institution, 6,128 residents of House District 62 claimed the federal EITC.⁶ That's 12% of District tax filers. The average federal EITC in the District was \$2,143. In total, residents of House District 62, brought back \$13,130,570 in federal EITC to their communities.

| Federal EITC impact for House District 62 ² |
|--|
| 6,128 EITC households |
| 12% Percentage of all filers claiming EITC |
| \$13,130,570 Total refunds to district |
| \$2,143 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 62

Making these changes to Ohio's state EITC would substantially benefit residents in House District 62. If each of the House District 62 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,100,891 to the district, and an average credit of \$343.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 62 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,128 EITC households | \$2,100,891 Total state EITC refund at 16 percent | \$343 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 63

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 63

According to the most recent data available from the Brookings Institution, 9,321 residents of House District 63 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,129. In total, residents of House District 63, brought back \$19,844,470 in federal EITC to their communities.

Federal EITC impact for House District 63²

9,321
EITC households

18%
Percentage of all filers claiming
EITC

\$19,844,470
Total refunds to district

\$2,129
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 63

Making these changes to Ohio's state EITC would substantially benefit residents in House District 63. If each of the House District 63 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,175,115 to the district, and an average credit of \$340.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 63 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,321 EITC households | \$3,175,115 Total state EITC refund at 16 percent | \$340 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 64

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 64

According to the most recent data available from the Brookings Institution, 9,755 residents of House District 64 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,313. In total, residents of House District 64, brought back \$22,563,109 in federal EITC to their communities.

Federal EITC impact for House District 64²

9,755
EITC households

21%
Percentage of all filers claiming
EITC

\$22,563,109
Total refunds to district

\$2,313
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 64

Making these changes to Ohio's state EITC would substantially benefit residents in House District 64. If each of the House District 64 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,610,097 to the district, and an average credit of \$370.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 64 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,755 EITC households | \$3,610,097 Total state EITC refund at 16 percent | \$370 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 65

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 65

According to the most recent data available from the Brookings Institution, 7,428 residents of House District 65 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$2,139. In total, residents of House District 65, brought back \$15,888,233 in federal EITC to their communities.

| Federal EITC impact for House District 65 ² |
|--|
| 7,428 EITC households |
| 13% Percentage of all filers claiming EITC |
| \$15,888,233 Total refunds to district |
| \$2,139 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 65

Making these changes to Ohio's state EITC would substantially benefit residents in House District 65. If each of the House District 65 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,542,117 to the district, and an average credit of \$342.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 65 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,428 EITC households | \$2,542,117 Total state EITC refund at 16 percent | \$342 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 66

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 66

According to the most recent data available from the Brookings Institution, 9,934 residents of House District 66 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,303. In total, residents of House District 66, brought back \$22,882,397 in federal EITC to their communities.

Federal EITC impact for House District 66²

9,934
EITC households

19%
Percentage of all filers claiming
EITC

\$22,882,397
Total refunds to district

\$2,303
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 66

Making these changes to Ohio's state EITC would substantially benefit residents in House District 66. If each of the House District 66 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,661,183 to the district, and an average credit of \$369.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 66 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,934 EITC households | \$3,661,183 Total state EITC refund at 16 percent | \$369 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 67

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 67

According to the most recent data available from the Brookings Institution, 4,812 residents of House District 67 claimed the federal EITC.⁶ That's 9% of District tax filers. The average federal EITC in the District was \$2,072. In total, residents of House District 67, brought back \$9,968,592 in federal EITC to their communities.

Federal EITC impact for House District 67²

4,812
EITC households

9%
Percentage of all filers claiming
EITC

\$9,968,592
Total refunds to district

\$2,072
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 67

Making these changes to Ohio's state EITC would substantially benefit residents in House District 67. If each of the House District 67 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,594,974 to the district, and an average credit of \$331.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 67 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 4,812 EITC households | \$1,594,974 Total state EITC refund at 16 percent | \$331 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 68

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 68

According to the most recent data available from the Brookings Institution, 6,080 residents of House District 68 claimed the federal EITC.⁶ That’s 12% of District tax filers. The average federal EITC in the District was \$2,141. In total, residents of House District 68, brought back \$13,015,016 in federal EITC to their communities.

| Federal EITC impact for House District 68 ² |
|--|
| 6,080 EITC households |
| 12% Percentage of all filers claiming EITC |
| \$13,015,016 Total refunds to district |
| \$2,141 Average household refund |

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 68

Making these changes to Ohio's state EITC would substantially benefit residents in House District 68. If each of the House District 68 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,082,402 to the district, and an average credit of \$343.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 68 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,080 EITC households | \$2,082,402 Total state EITC refund at 16 percent | \$343 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 69

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 69

According to the most recent data available from the Brookings Institution, 6,027 residents of House District 69 claimed the federal EITC.⁶ That’s 11% of District tax filers. The average federal EITC in the District was \$1,986. In total, residents of House District 69, brought back \$11,971,804 in federal EITC to their communities.

| Federal EITC impact for House District 69 ² |
|--|
| 6,027 EITC households |
| 11% Percentage of all filers claiming EITC |
| \$11,971,804 Total refunds to district |
| \$1,986 Average household refund |

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 69

Making these changes to Ohio's state EITC would substantially benefit residents in House District 69. If each of the House District 69 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,915,488 to the district, and an average credit of \$308.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 69 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,027 EITC households | \$1,915,488 Total state EITC refund at 16 percent | \$308 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 70

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 70

According to the most recent data available from the Brookings Institution, 7,630 residents of House District 70 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,079. In total, residents of House District 70, brought back \$15,860,664 in federal EITC to their communities.

Federal EITC impact for House District 70²

7,630
EITC households

14%
Percentage of all filers claiming
EITC

\$15,860,664
Total refunds to district

\$2,079
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 70

Making these changes to Ohio's state EITC would substantially benefit residents in House District 70. If each of the House District 70 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,537,706 to the district, and an average credit of \$333.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 70 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,630 EITC households | \$2,537,706 Total state EITC refund at 16 percent | \$333 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 71

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 71

According to the most recent data available from the Brookings Institution, 9,675 residents of House District 71 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,230. In total, residents of House District 71, brought back \$21,575,077 in federal EITC to their communities.

Federal EITC impact for House District 71²

9,675
EITC households

18%
Percentage of all filers claiming
EITC

\$21,575,077
Total refunds to district

\$2,230
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 71

Making these changes to Ohio's state EITC would substantially benefit residents in House District 71. If each of the House District 71 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,452,012 to the district, and an average credit of \$357.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 71 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,675 EITC households | \$3,452,012 Total state EITC refund at 16 percent | \$357 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 72

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 72

According to the most recent data available from the Brookings Institution, 10,017 residents of House District 72 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,220. In total, residents of House District 72, brought back \$22,236,377 in federal EITC to their communities.

Federal EITC impact for House District 72²

10,017
EITC households

20%
Percentage of all filers claiming
EITC

\$22,236,377
Total refunds to district

\$2,220
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 72

Making these changes to Ohio's state EITC would substantially benefit residents in House District 72. If each of the House District 72 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,557,820 to the district, and an average credit of \$355.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 72 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,017 EITC households | \$3,557,820 Total state EITC refund at 16 percent | \$355 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 73

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 73

According to the most recent data available from the Brookings Institution, 6,840 residents of House District 73 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,128. In total, residents of House District 73, brought back \$14,555,258 in federal EITC to their communities.

Federal EITC impact for House District 73²

6,840
EITC households

14%
Percentage of all filers claiming
EITC

\$14,555,258
Total refunds to district

\$2,128
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 73

Making these changes to Ohio's state EITC would substantially benefit residents in House District 73. If each of the House District 73 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,328,841 to the district, and an average credit of \$340.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 73 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 6,840 EITC households | \$2,328,841 Total state EITC refund at 16 percent | \$340 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 74

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 74

According to the most recent data available from the Brookings Institution, 8,031 residents of House District 74 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,211. In total, residents of House District 74, brought back \$17,757,742 in federal EITC to their communities.

Federal EITC impact for House District 74²

8,031
EITC households

17%
Percentage of all filers claiming
EITC

\$17,757,742
Total refunds to district

\$2,211
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 74

Making these changes to Ohio's state EITC would substantially benefit residents in House District 74. If each of the House District 74 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,841,238 to the district, and an average credit of \$354.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 74 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,031 EITC households | \$2,841,238 Total state EITC refund at 16 percent | \$354 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 75

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 75

According to the most recent data available from the Brookings Institution, 7,922 residents of House District 75 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,010. In total, residents of House District 75, brought back \$15,926,177 in federal EITC to their communities.

| Federal EITC impact for House District 75 ² |
|--|
| 7,922 EITC households |
| 15% Percentage of all filers claiming EITC |
| \$15,926,177 Total refunds to district |
| \$2,010 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 75

Making these changes to Ohio's state EITC would substantially benefit residents in House District 75. If each of the House District 75 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,548,188 to the district, and an average credit of \$322.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 75 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,922 EITC households | \$2,548,188 Total state EITC refund at 16 percent | \$322 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 76

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 76

According to the most recent data available from the Brookings Institution, 5,167 residents of House District 76 claimed the federal EITC.⁶ That's 10% of District tax filers. The average federal EITC in the District was \$1,926. In total, residents of House District 76, brought back \$9,953,965 in federal EITC to their communities.

| Federal EITC impact for House District 76 ² |
|--|
| 5,167 EITC households |
| 10% Percentage of all filers claiming EITC |
| \$9,953,965 Total refunds to district |
| \$1,926 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 76

Making these changes to Ohio's state EITC would substantially benefit residents in House District 76. If each of the House District 76 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$1,592,634 to the district, and an average credit of \$308.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 76 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 5,167 EITC households | \$1,592,634 Total state EITC refund at 16 percent | \$308 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 77

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 77

According to the most recent data available from the Brookings Institution, 7,902 residents of House District 77 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,201. In total, residents of House District 77, brought back \$17,417,601 in federal EITC to their communities.

Federal EITC impact for House District 77²

7,902
EITC households

15%
Percentage of all filers claiming
EITC

\$17,417,601
Total refunds to district

\$2,201
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 77

Making these changes to Ohio's state EITC would substantially benefit residents in House District 77. If each of the House District 77 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,786,816 to the district, and an average credit of \$363.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 77 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,902 EITC households | \$2,786,816 Total state EITC refund at 16 percent | \$363 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 78

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 78

According to the most recent data available from the Brookings Institution, 10,085 residents of House District 78 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,267. In total, residents of House District 78, brought back \$22,865,946 in federal EITC to their communities.

Federal EITC impact for House District 78²

10,085
EITC households

20%
Percentage of all filers claiming
EITC

\$22,865,946
Total refunds to district

\$2,267
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 78

Making these changes to Ohio's state EITC would substantially benefit residents in House District 78. If each of the House District 78 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,658,551 to the district, and an average credit of \$363.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 78 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,085 EITC households | \$3,658,551 Total state EITC refund at 16 percent | \$363 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 79

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 79

According to the most recent data available from the Brookings Institution, 11,405 residents of House District 79 claimed the federal EITC.⁶ That's 22% of District tax filers. The average federal EITC in the District was \$2,372. In total, residents of House District 79, brought back \$27,054,316 in federal EITC to their communities.

Federal EITC impact for House District 79²

11,405
EITC households

22%
Percentage of all filers claiming
EITC

\$27,054,316
Total refunds to district

\$2,372
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 79

Making these changes to Ohio's state EITC would substantially benefit residents in House District 79. If each of the House District 79 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,328,690 to the district, and an average credit of \$379.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 79 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,405 EITC households | \$4,328,690 Total state EITC refund at 16 percent | \$379 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 80

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 80

According to the most recent data available from the Brookings Institution, 9,255 residents of House District 80 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,154. In total, residents of House District 80, brought back \$19,936,729 in federal EITC to their communities.

Federal EITC impact for House District 80²

9,255
EITC households

16%
Percentage of all filers claiming
EITC

\$19,936,729
Total refunds to district

\$2,154
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 80

Making these changes to Ohio's state EITC would substantially benefit residents in House District 80. If each of the House District 80 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,189,876 to the district, and an average credit of \$345.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 80 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,255 EITC households | \$3,189,876 Total state EITC refund at 16 percent | \$345 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 81

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 81

According to the most recent data available from the Brookings Institution, 8,253 residents of House District 81 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,125. In total, residents of House District 81, brought back \$17,540,509 in federal EITC to their communities.

Federal EITC impact for House District 81²

8,253
EITC households

15%
Percentage of all filers claiming
EITC

\$17,540,509
Total refunds to district

\$2,125
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 81

Making these changes to Ohio's state EITC would substantially benefit residents in House District 81. If each of the House District 81 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,806,481 to the district, and an average credit of \$340.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 81 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,253 EITC households | \$2,806,481 Total state EITC refund at 16 percent | \$340 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 82

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 82

According to the most recent data available from the Brookings Institution, 8,518 residents of House District 82 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,179. In total, residents of House District 82, brought back \$18,561,934 in federal EITC to their communities.

| Federal EITC impact for House District 82 ² |
|--|
| 8,518 EITC households |
| 17% Percentage of all filers claiming EITC |
| \$18,561,934 Total refunds to district |
| \$2,179 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 82

Making these changes to Ohio's state EITC would substantially benefit residents in House District 82. If each of the House District 82 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,969,909 to the district, and an average credit of \$349.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 82 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,518 EITC households | \$2,969,909 Total state EITC refund at 16 percent | \$349 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 83

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 83

According to the most recent data available from the Brookings Institution, 8,588 residents of House District 83 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,167. In total, residents of House District 83, brought back \$18,613,502 in federal EITC to their communities.

| Federal EITC impact for House District 83 ² |
|--|
| 8,588 EITC households |
| 18% Percentage of all filers claiming EITC |
| \$18,613,502 Total refunds to district |
| \$2,167 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 83

Making these changes to Ohio's state EITC would substantially benefit residents in House District 83. If each of the House District 83 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,978,160 to the district, and an average credit of \$347.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 83 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,588 EITC households | \$2,978,160 Total state EITC refund at 16 percent | \$347 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 84

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 84

According to the most recent data available from the Brookings Institution, 7,437 residents of House District 84 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$2,112. In total, residents of House District 84, brought back \$15,706,055 in federal EITC to their communities.

Federal EITC impact for House District 84²

7,437
EITC households

13%
Percentage of all filers claiming
EITC

\$15,706,055
Total refunds to district

\$2,112
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 84

Making these changes to Ohio's state EITC would substantially benefit residents in House District 84. If each of the House District 84 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,512,968 to the district, and an average credit of \$338.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 84 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 7,437 EITC households | \$2,512,968 Total state EITC refund at 16 percent | \$338 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 85

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 85

According to the most recent data available from the Brookings Institution, 9,418 residents of House District 85 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,226. In total, residents of House District 85, brought back \$20,968,433 in federal EITC to their communities.

Federal EITC impact for House District 85²

9,418
EITC households

19%
Percentage of all filers claiming
EITC

\$20,968,433
Total refunds to district

\$2,226
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 85

Making these changes to Ohio's state EITC would substantially benefit residents in House District 85. If each of the House District 85 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,354,949 to the district, and an average credit of \$356.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 85 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,418 EITC households | \$3,354,949 Total state EITC refund at 16 percent | \$356 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 86

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 86

According to the most recent data available from the Brookings Institution, 8,407 residents of House District 86 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,271. In total, residents of House District 86, brought back \$19,095,150 in federal EITC to their communities.

| Federal EITC impact for House District 86 ² |
|--|
| 8,407 EITC households |
| 18% Percentage of all filers claiming EITC |
| \$19,095,150 Total refunds to district |
| \$2,271 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 86

Making these changes to Ohio's state EITC would substantially benefit residents in House District 86. If each of the House District 86 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,055,224 to the district, and an average credit of \$363.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 86 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,407 EITC households | \$3,055,224 Total state EITC refund at 16 percent | \$363 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 87

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 87

According to the most recent data available from the Brookings Institution, 9,394 residents of House District 87 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,212. In total, residents of House District 87, brought back \$20,779,246 in federal EITC to their communities.

| Federal EITC impact for House District 87 ² |
|--|
| 9,394 EITC households |
| 19% Percentage of all filers claiming EITC |
| \$20,779,246 Total refunds to district |
| \$2,212 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 87

Making these changes to Ohio's state EITC would substantially benefit residents in House District 87. If each of the House District 87 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,324,679 to the district, and an average credit of \$354.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 87 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,394 EITC households | \$3,324,679 Total state EITC refund at 16 percent | \$354 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 88

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 88

According to the most recent data available from the Brookings Institution, 9,535 residents of House District 88 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,157. In total, residents of House District 88, brought back \$20,571,061 in federal EITC to their communities.

| Federal EITC impact for House District 88 ² |
|--|
| 9,535 EITC households |
| 18% Percentage of all filers claiming EITC |
| \$20,571,061 Total refunds to district |
| \$2,157 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 88

Making these changes to Ohio's state EITC would substantially benefit residents in House District 88. If each of the House District 88 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,291,369 to the district, and an average credit of \$345.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 88 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,535 EITC households | \$3,291,369 Total state EITC refund at 16 percent | \$345 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 89

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 89

According to the most recent data available from the Brookings Institution, 9,548 residents of House District 89 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,119. In total, residents of House District 89, brought back \$20,233,357 in federal EITC to their communities.

| Federal EITC impact for House District 89 ² |
|--|
| 9,548 EITC households |
| 16% Percentage of all filers claiming EITC |
| \$20,233,357 Total refunds to district |
| \$2,119 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 89

Making these changes to Ohio's state EITC would substantially benefit residents in House District 89. If each of the House District 89 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,237,337 to the district, and an average credit of \$339.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 89 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,548 EITC households | \$3,237,337 Total state EITC refund at 16 percent | \$339 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 90

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 90

According to the most recent data available from the Brookings Institution, 11,499 residents of House District 90 claimed the federal EITC.⁶ That's 26% of District tax filers. The average federal EITC in the District was \$2,463. In total, residents of House District 90, brought back \$28,325,160 in federal EITC to their communities.

Federal EITC impact for House District 90²

11,499
EITC households

26%
Percentage of all filers claiming
EITC

\$28,325,160
Total refunds to district

\$2,463
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 90

Making these changes to Ohio's state EITC would substantially benefit residents in House District 90. If each of the House District 90 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,532,025 to the district, and an average credit of \$394.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 90 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,499 EITC households | \$4,532,025 Total state EITC refund at 16 percent | \$394 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 91

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 91

According to the most recent data available from the Brookings Institution, 11,264 residents of House District 91 claimed the federal EITC.⁶ That's 23% of District tax filers. The average federal EITC in the District was \$2,314. In total, residents of House District 91, brought back \$26,068,352 in federal EITC to their communities.

Federal EITC impact for House District 91²

11,264
EITC households

23%
Percentage of all filers claiming
EITC

\$26,068,352
Total refunds to district

\$2,314
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 91

Making these changes to Ohio's state EITC would substantially benefit residents in House District 91. If each of the House District 91 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,170,936 to the district, and an average credit of \$370.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 91 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,264 EITC households | \$4,170,936 Total state EITC refund at 16 percent | \$370 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 92

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 92

According to the most recent data available from the Brookings Institution, 10,353 residents of House District 92 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,307. In total, residents of House District 92, brought back \$23,885,050 in federal EITC to their communities.

| Federal EITC impact for House District 92 ² |
|--|
| 10,353 EITC households |
| 21% Percentage of all filers claiming EITC |
| \$23,885,050 Total refunds to district |
| \$2,307 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 92

Making these changes to Ohio's state EITC would substantially benefit residents in House District 92. If each of the House District 92 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,821,608 to the district, and an average credit of \$369.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 92 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,353 EITC households | \$3,821,608 Total state EITC refund at 16 percent | \$369 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 93

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 93

According to the most recent data available from the Brookings Institution, 11,274 residents of House District 93 claimed the federal EITC.⁶ That's 24% of District tax filers. The average federal EITC in the District was \$2,392. In total, residents of House District 93, brought back \$26,973,043 in federal EITC to their communities.

Federal EITC impact for House District 93²

11,274
EITC households

24%
Percentage of all filers claiming
EITC

\$26,973,043
Total refunds to district

\$2,392
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 93

Making these changes to Ohio's state EITC would substantially benefit residents in House District 93. If each of the House District 93 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,315,686 to the district, and an average credit of \$383.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 93 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 11,274 EITC households | \$4,315,686 Total state EITC refund at 16 percent | \$383 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact:

A credit that counts for working families in House District 94

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 94

According to the most recent data available from the Brookings Institution, 9,121 residents of House District 94 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,111. In total, residents of House District 94, brought back \$19,253,501 in federal EITC to their communities.

Federal EITC impact for House District 94²

9,121
EITC households

21%
Percentage of all filers claiming
EITC

\$19,253,501
Total refunds to district

\$2,111
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 94

Making these changes to Ohio's state EITC would substantially benefit residents in House District 94. If each of the House District 94 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,080,560 to the district, and an average credit of \$338.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 94 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,121 EITC households | \$3,080,560 Total state EITC refund at 16 percent | \$338 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 95

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 95

According to the most recent data available from the Brookings Institution, 8,880 residents of House District 95 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,103. In total, residents of House District 95, brought back \$18,674,666 in federal EITC to their communities.

| Federal EITC impact for House District 95 ² |
|--|
| 8,880 EITC households |
| 17% Percentage of all filers claiming EITC |
| \$18,674,666 Total refunds to district |
| \$2,103 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 95

Making these changes to Ohio's state EITC would substantially benefit residents in House District 95. If each of the House District 95 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$2,987,946 to the district, and an average credit of \$336.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 95 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 8,880 EITC households | \$2,987,946 Total state EITC refund at 16 percent | \$336 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 96

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 96

According to the most recent data available from the Brookings Institution, 10,120 residents of House District 96 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,192. In total, residents of House District 96, brought back \$22,179,107 in federal EITC to their communities.

Federal EITC impact for House District 96²

10,120
EITC households

19%
Percentage of all filers claiming
EITC

\$22,179,107
Total refunds to district

\$2,192
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 96

Making these changes to Ohio's state EITC would substantially benefit residents in House District 96. If each of the House District 96 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,548,657 to the district, and an average credit of \$351.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 96 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,120 EITC households | \$3,548,657 Total state EITC refund at 16 percent | \$351 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 97

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 97

According to the most recent data available from the Brookings Institution, 10,994 residents of House District 97 claimed the federal EITC.⁶ That’s 22% of District tax filers. The average federal EITC in the District was \$2,307. In total, residents of House District 97, brought back \$25,363,600 in federal EITC to their communities.

| Federal EITC impact for House District 97 ² |
|--|
| 10,994 EITC households |
| 22% Percentage of all filers claiming EITC |
| \$25,363,600 Total refunds to district |
| \$2,307 Average household refund |

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 97

Making these changes to Ohio's state EITC would substantially benefit residents in House District 97. If each of the House District 97 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,058,176 to the district, and an average credit of \$369.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 97 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 10,994 EITC households | \$4,058,176 Total state EITC refund at 16 percent | \$369 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.

Ohio EITC Impact:

A credit that counts for working families in House District 98

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹

The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 98

According to the most recent data available from the Brookings Institution, 9,197 residents of House District 98 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,134. In total, residents of House District 98, brought back \$19,628,849 in federal EITC to their communities.

Federal EITC impact for House District 98²

9,197
EITC households

17%
Percentage of all filers claiming
EITC

\$19,628,849
Total refunds to district

\$2,134
Average household refund

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 98

Making these changes to Ohio's state EITC would substantially benefit residents in House District 98. If each of the House District 98 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,140,615 to the district, and an average credit of \$341.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 98 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,197 EITC households | \$3,140,615 Total state EITC refund at 16 percent | \$341 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in House District 99

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America's most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in House District 99

According to the most recent data available from the Brookings Institution, 9,183 residents of House District 99 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,237. In total, residents of House District 99, brought back \$20,542,984 in federal EITC to their communities.

| Federal EITC impact for House District 99 ² |
|--|
| 9,183 EITC households |
| 19% Percentage of all filers claiming EITC |
| \$20,542,984 Total refunds to district |
| \$2,237 Average household refund |

Ohio's EITC does little to help working families

In 2013, its debut tax year, Ohio's state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn't receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio's EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, "The Earned Income Tax Credit: Good for Our Families, Communities and Economy," The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "Earned Income Tax Credit Promotes Work, Success at School, Research Finds," Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, "Out-of-step," Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for House District 99

Making these changes to Ohio's state EITC would substantially benefit residents in House District 99. If each of the House District 99 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$3,286,877 to the district, and an average credit of \$358.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for House District 99 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|---|
| 9,183 EITC households | \$3,286,877 Total state EITC refund at 16 percent | \$358 Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.



Ohio EITC Impact: A credit that counts for working families in

Hannah Halbert, Kalitha Williams, Kate Lewis-Lakin

The federal earned income tax credit (EITC) is one of America’s most powerful anti-poverty tools. Nearly one million working Ohioans claimed \$2.3 billion in federal EITCs last year.¹ The credit helps low-wage workers make ends meet and gives our state economy a boost.³ Even though families typically only claim the federal EITC for one or two years at a time, it substantially reduces poverty and boosts earnings.⁴ The federal EITC alone has helped 177,000 working Ohioans, including 93,000 children, stay out of poverty each year from 2011-2013, and it eased poverty for many more.⁵

The federal EITC in

According to the most recent data available from the Brookings Institution, residents of [redacted] claimed the federal EITC.⁶ That’s % of District tax filers. The average federal EITC in the District was \$. In total, residents of [redacted], brought back \$ in federal EITC to their communities.

| Federal EITC impact for ² | |
|--|--|
| EITC households | |
| % | |
| Percentage of all filers claiming EITC | |
| \$ | |
| Total refunds to district | |
| \$ | |
| Average household refund | |

Ohio’s EITC does little to help working families

In 2013, its debut tax year, Ohio’s state EITC was 5 percent of the federal credit. But not everyone eligible for the federal credit got the state EITC, and many of those who got it didn’t receive the full 5 percent of their federal credit. Unlike the federal credit and most other state credits, Ohio’s EITC cannot exceed what a taxpayer owes in income taxes, and for a taxpayer with income over \$20,000, it cannot exceed half of what is owed in income taxes. Because of these limits just 7 percent of the poorest workers – those earning \$19,000 or less – see any benefit from the credit, and the benefit is modest.⁷

¹ Internal Revenue Service, EITC Statistics, at <http://www.eitc.irs.gov/EITC-Central/eitcstats>. Total federal EITC claimed and returned to Ohio for tax year 2013, on returns filed in 2014.

² The Brookings Institution, Earned Income Tax Credit Interactive data, at <http://www.brookings.edu/research/interactives/eitc>. Data from tax year 2012, most recent available.

³ Research shows that for every dollar received by low- and moderate-income families multiplies between 1.5 to 2 times in its impact on the local economy. See, “The Earned Income Tax Credit: Good for Our Families, Communities and Economy,” The National Community Tax Coalition, January 2012, at <http://bit.ly/1MtUZbh>.

⁴ Chuck Marr, Chye-Ching Huang, and Arloc Sherman, “Earned Income Tax Credit Promotes Work, Success at School, Research Finds,” Center on Budget and Policy Priorities, April 2014, at <http://www.cbpp.org/cms/?fa=view&id=3793>.

⁵ The Brookings Institution, State Estimates of People and Children Lifted out of Poverty by the EITC and CTC Each Year, 2011-2013, at <http://brook.gs/1wGEZdQ>

⁶ The Brookings Institution, *supra* at note 2.

⁷ Hannah Halbert, “Out-of-step,” Policy Matters, Aug 2014, at <http://www.policymattersohio.org/out-of-step-aug-2014>.

All told, 574,516 Ohioans claimed just \$68,140,497 in reduced state tax liability, according to the Ohio Department of Taxation.⁸ Lawmakers recently increased the state EITC to 10 percent of the federal credit, but that increase will benefit relatively few of the lowest-income working Ohioans because of the limitations on the credit. More than 47 percent of poor families in Ohio are also working families. More than a quarter (28.4 percent) of all jobs in Ohio are in occupations with median annual pay that won't keep a family of four above the poverty line.⁹ Ohio's EITC could be a much more powerful tool for helping working families make ends meet and provide for their children.

Just removing the cap and making the credit refundable would mean an additional 30 percent of Ohio's poorest workers would receive some benefit from the state EITC.¹⁰ Bringing Ohio's credit in line with the average state refundable EITC by eliminating the cap, making it fully refundable, and raising it to 16 percent of the federal credit, would further expand the credit's reach. At that level, 33 percent of Ohio's lowest income taxpayers would receive some benefit and the average savings for that group of recipients would increase by \$310.¹¹

A credit that counts for

Making these changes to Ohio's state EITC would substantially benefit residents in . If each of the residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$349,133,857 to the district, and an average credit of \$.¹² A 16 percent, refundable, non-capped state EITC could return as much as \$357 million a year to Ohio families.¹³

| A credit that counts for Estimated impact of a 16 percent, refundable, non-capped Ohio EITC | | |
|--|---|--|
| EITC households | \$349,133,857 Total state EITC refund at 16 percent | \$ Average state EITC refund per household at 16 percent |

⁸ Ohio Department of Taxation, Gary Gundmundson, Communications Director, email to author December 5, 2014. Total of those claiming the Ohio EITC on their Ohio return for Tax Year 2013, returns filed in 2014.

⁹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey data and of May 2013 Occupational Employment Statistics.

¹⁰ Estimated total cost of a 10 percent refundable EITC is \$223 million. This reflects the total cost of the credit and includes the amount the state is already spending on the EITC. The cost of reforming the existing credit would therefore be less than these estimates. See, Center on Budget and Policy Priorities, "How much would a state Earned Income Tax Credit cost in fiscal year 2016?," January 2015, at <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>.

¹¹ Hannah Halbert, *supra* note 7.

¹² Author estimates of the district impact of an expanded Ohio EITC. Calculation based on 16 percent of the amount claimed in federal EITC and the average amount of the federal EITC credit returned to the district as reported in the Brookings Institution's EITC Interactive data for Tax Year 2012. Annual EITC amount would vary depending on the number claiming the federal EITC.

¹³ Cost estimate of a 16 percent, refundable, non-capped Ohio EITC for the coming fiscal year. Center on Budget and Policy Priorities, *supra* at note 11. This includes the value of the existing state EITC.