Strengthen Ohio’s credit for working families

Kalitha Williams

Ohioans who are paid low wages have been doing essential work to support our communities during the COVID-19 pandemic — from keeping grocery store shelves stocked, to caring for our elderly family members, to keeping our offices safe and clean. State policymakers should give them the support they need and deserve by strengthening the state earned income tax credit (EITC) — a proven strategy to help Ohio families recover. The Ohio EITC is based on the federal EITC: the nation’s most powerful anti-poverty program that benefits both families and communities. In 2016, the federal credit lifted 265,000 Ohioans out of poverty.¹ Last year, 895,000 Ohioans claimed $2.2 billion in federal EITCs.² The credit only goes to families with at least one worker who has earned income. The credit reduces tax liability, helps financially vulnerable families and boosts local economies.³ Children from families that receive refundable EITCs have higher birth weights, better test scores, are more likely to attend college and earn more as adult workers.⁴

The federal EITC in Ohio Senate District 1

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 21,918 residents of Senate District 1 claimed the federal EITC.⁵ That’s 14% of all tax filers in the District. The average federal EITC refund in the District was $2,300. The citizens of Senate District 1 brought back $44,893,509 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.⁶

Refundability matters

When a family’s credit exceeds their federal income tax liability, they receive the difference in a refund. Refundable EITCs boost the incomes of workers with low wages and helps them make ends meet. There are 29 states including Puerto Rico and the District of Columbia with state EITCS; only six are nonrefundable.

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⁵ Data provided by the Center on Budget and Policy Priorities in an e-mail of December 18, 2020 based on Internal Revenue Service data on 2018 tax filers by zip code and Missouri Census Data Center geographic crosswalks.
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7 Data provided by the Institute on Taxation and Economic Policy, from Aidan Davis to Wendy Patton, September 29, 2020.
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In 2016, the federal credit lifted 265,000 Ohioans out of poverty.\(^8\) Last year, 895,000 Ohioans claimed $2.2 billion in federal EITCs.\(^9\) The credit only goes to families with at least one worker who has earned income. The credit reduces tax liability, helps financially vulnerable families and boosts local economies.\(^10\) Children from families that receive refundable EITCs have higher birth weights, better test scores, are more likely to attend college and earn more as adult workers.\(^11\)

The federal EITC in Ohio Senate District 2
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 21,535 residents of Senate District 2 claimed the federal EITC.\(^12\) That’s 12% of all tax filers in the District. The average federal EITC refund in the District was $2,249. The citizens of Senate District 2 brought back $42,860,750 in federal EITC refunds to their community.

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State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^13\)

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\(^8\) Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2K0j5J2


\(^12\) Data provided by the Center on Budget and Policy Priorities in an e-mail of December 18, 2020 based on Internal Revenue Service data on 2018 tax filers by zip code and Missouri Census Data Center geographic crosswalks.

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The federal EITC in Ohio Senate District 3
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 33,975 residents of Senate District 3 claimed the federal EITC.¹⁹ That’s 18% of all tax filers in the District. The average federal EITC refund in the District was $2,542. The citizens of Senate District 3 brought back $78,012,921 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.²⁰

Refundability matters
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The federal EITC in Ohio Senate District 4
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 24,634 residents of Senate District 4 claimed the federal EITC.26 That’s 15% of all tax filers in the District. The average federal EITC refund in the District was $2,419. The citizens of Senate District 4 brought back $53,260,585 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.27

Refundability matters
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The federal EITC in Ohio Senate District 5
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 33,195 residents of Senate District 5 claimed the federal EITC.33 That’s 21% of all tax filers in the District. The average federal EITC refund in the District was $2,577. The citizens of Senate District 5 brought back $78,309,013 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.34

Refundability matters
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The federal EITC in Ohio Senate District 6
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 24,059 residents of Senate District 6 claimed the federal EITC. That’s 14% of all tax filers in the District. The average federal EITC refund in the District was $2,337. The citizens of Senate District 6 brought back $49,840,594 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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The federal EITC in Ohio Senate District 7
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 16,150 residents of Senate District 7 claimed the federal EITC.47 That’s 9% of all tax filers in the District. The average federal EITC refund in the District was $2,245. The citizens of Senate District 7 brought back $31,150,864 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
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The federal EITC in Ohio Senate District 8
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 26,937 residents of Senate District 8 claimed the federal EITC. That’s 15% of all tax filers in the District. The average federal EITC refund in the District was $2,502. The citizens of Senate District 8 brought back $61,244,290 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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The federal EITC in Ohio Senate District 9
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 35,960 residents of Senate District 9 claimed the federal EITC. 61 That’s 22% of all tax filers in the District. The average federal EITC refund in the District was $2,594. The citizens of Senate District 9 brought back $85,668,619 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less. 62

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The federal EITC in Ohio Senate District 10
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 24,002 residents of Senate District 10 claimed the federal EITC.\(^8\) That’s 15% of all tax filers in the District. The average federal EITC refund in the District was $2,424. The citizens of Senate District 10 brought back $52,612,152 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^9\)

Refundability matters
When a family’s credit exceeds their federal income tax liability, they receive the difference in a refund. Refundable EITCs boost the incomes of workers with low wages and helps them make ends meet. There are 29 states including Puerto Rico and the District of Columbia with state EITCS; only six are nonrefundable.

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\(^4\) Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2XJuSt2


\(^8\) Data provided by the Center on Budget and Policy Priorities in an e-mail of December 18, 2020 based on Internal Revenue Service data on 2018 tax filers by zip code and Missouri Census Data Center geographic crosswalks.

Refundable earned income tax credits do more to support working families

Ohio lawmakers should make the state EITC refundable

A winning policy to help Ohioans with low wages

Ohio’s lawmakers should add a new option to the state EITC, allowing families to claim either the current state EITC, which is 30% of the federal, or a new option, set at 10% of the federal EITC, but fully refundable. Adding a 10% refundable option to the current EITC would ensure the credit reaches the state’s lowest-paid Ohioans. Allowing tax filers to select the option that works best for them ensures the credit helps more Ohioans. Analysis from the Institute for Taxation and Economic Policy shows that this policy would help 756,800 Ohio families at a cost of $207.6 million. The average credit for families earning no more than $22,000 a year would be $230. For families earning between $22,000 and $40,000 the average credit would be $324.70

As Ohioans rebuild after the COVID-19 pandemic, policymakers should a create a state refundable EITC tier to help Ohio families recover.

70 Data provided by the Institute on Taxation and Economic Policy, from Aidan Davis to Wendy Patton, September 29, 2020.
Strengthen Ohio’s credit for working families
Kalitha Williams

Ohioans who are paid low wages have been doing essential work to support our communities during the COVID-19 pandemic — from keeping grocery store shelves stocked, to caring for our elderly family members, to keeping our offices safe and clean. State policymakers should give them the support they need and deserve by strengthening the state earned income tax credit (EITC) — a proven strategy to help Ohio families recover. The Ohio EITC is based on the federal EITC: the nation’s most powerful anti-poverty program that benefits both families and communities. In 2016, the federal credit lifted 265,000 Ohioans out of poverty. 71 Last year, 895,000 Ohioans claimed $2.2 billion in federal EITCs. 72 The credit only goes to families with at least one worker who has earned income. The credit reduces tax liability, helps financially vulnerable families and boosts local economies. 73 Children from families that receive refundable EITCs have higher birth weights, better test scores, are more likely to attend college and earn more as adult workers. 74

The federal EITC in Ohio Senate District 11
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 35,741 residents of Senate District 11 claimed the federal EITC. 75 That’s 23% of all tax filers in the District. The average federal EITC refund in the District was $2,602. The citizens of Senate District 11 brought back $86,129,219 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less. 76

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The federal EITC in Ohio Senate District 12
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 22,779 residents of Senate District 12 claimed the federal EITC. That’s 15% of all tax filers in the District. The average federal EITC refund in the District was $2,397. The citizens of Senate District 12 brought back $48,778,847 in federal EITC refunds to their community.

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Ohio’s lawmakers should add a new option to the state EITC, allowing families to claim either the current state EITC, which is 30% of the federal, or a new option, set at 10% of the federal EITC, but fully refundable. Adding a 10% refundable option to the current EITC would ensure the credit reaches the state’s lowest-paid Ohioans. Allowing tax filers to select the option that works best for them ensures the credit helps more Ohioans. Analysis from the Institute for Taxation and Economic Policy shows that this policy would help 756,800 Ohio families at a cost of $207.6 million. The average credit for families earning no more than $22,000 a year would be $230. For families earning between $22,000 and $40,000 the average credit would be $324.84

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The federal EITC in Ohio Senate District 13
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 28,107 residents of Senate District 13 claimed the federal EITC. That’s 26% of all tax filers in the District. The average federal EITC refund in the District was $2,478. The citizens of Senate District 13 brought back $62,832,934 in federal EITC refunds to their community.

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The federal EITC in Ohio Senate District 14
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 26,317 residents of Senate District 14 claimed the federal EITC.96 That’s 16% of all tax filers in the District. The average federal EITC refund in the District was $2,437. The citizens of Senate District 14 brought back $57,048,523 in federal EITC refunds to their community.

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State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.97

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The federal EITC in Ohio Senate District 15
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 44,169 residents of Senate District 15 claimed the federal EITC. That’s 25% of all tax filers in the District. The average federal EITC refund in the District was $2,664. The citizens of Senate District 15 brought back $107,505,596 in federal EITC refunds to their community.

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State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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As Ohioans rebuild after the COVID-19 pandemic, policymakers should create a state refundable EITC tier to help Ohio families recover.

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Federal EITC impact for Senate District 16

<table>
<thead>
<tr>
<th></th>
<th>Senate District 16</th>
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</thead>
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<tr>
<td>Number of EITC households</td>
<td>20,883</td>
</tr>
<tr>
<td>Percentage of all filers that claim EITC</td>
<td>10%</td>
</tr>
<tr>
<td>Total amount of EITC refunds to district</td>
<td>$42,643,300</td>
</tr>
<tr>
<td>Average household refund</td>
<td>$2,363</td>
</tr>
</tbody>
</table>

The Ohio EITC is based on the federal EITC and Ohio Senate District 16

The federal EITC in Ohio Senate District 16
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 20,883 residents of Senate District 16 claimed the federal EITC. That’s 10% of all tax filers in the District. The average federal EITC refund in the District was $2,363. The citizens of Senate District 16 brought back $42,643,300 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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The federal EITC in Ohio Senate District 17
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 29,722 residents of Senate District 17 claimed the federal EITC. That’s 20% of all tax filers in the District. The average federal EITC refund in the District was $2,459. The citizens of Senate District 17 brought back $65,969,259 in federal EITC refunds to their community.

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**The federal EITC in Ohio Senate District 18**
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 18,863 residents of Senate District 18 claimed the federal EITC.\(^{124}\) That’s 11% of all tax filers in the District. The average federal EITC refund in the District was $2,150. The citizens of Senate District 18 brought back $34,868,876 in federal EITC refunds to their community.

**Ohio’s EITC does little to help working families**
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^{125}\)

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\(^{120}\) Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2KjJ5t2


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The federal EITC in Ohio Senate District 19
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 24,014 residents of Senate District 19 claimed the federal EITC.131 That’s 13% of all tax filers in the District. The average federal EITC refund in the District was $2,381. The citizens of Senate District 19 brought back $49,791,917 in federal EITC refunds to their community.

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Ohio’s lawmakers should add a new option to the state EITC, allowing families to claim either the current state EITC, which is 30% of the federal, or a new option, set at 10% of the federal EITC, but fully refundable. Adding a 10% refundable option to the current EITC would ensure the credit reaches the state’s lowest-paid Ohioans. Allowing tax filers to select the option that works best for them ensures the credit helps more Ohioans. Analysis from the Institute for Taxation and Economic Policy shows that this policy would help 756,800 Ohio families at a cost of $207.6 million. The average credit for families earning no more than $22,000 a year would be $230. For families earning between $22,000 and $40,000 the average credit would be $324.

As Ohioans rebuild after the COVID-19 pandemic, policymakers should a create a state refundable EITC tier to help Ohio families recover.

Data provided by the Institute on Taxation and Economic Policy, from Aidan Davis to Wendy Patton, September 29, 2020.
Strengthen Ohio’s credit for working families
Kalitha Williams

Ohioans who are paid low wages have been doing essential work to support our communities during the COVID-19 pandemic — from keeping grocery store shelves stocked, to caring for our elderly family members, to keeping our offices safe and clean. State policymakers should give them the support they need and deserve by strengthening the state earned income tax credit (EITC) — a proven strategy to help Ohio families recover. The Ohio EITC is based on the federal EITC: the nation’s most powerful anti-poverty program that benefits both families and communities. In 2016, the federal credit lifted 265,000 Ohioans out of poverty.134 Last year, 895,000 Ohioans claimed $2.2 billion in federal EITCs.135 The credit only goes to families with at least one worker who has earned income. The credit reduces tax liability, helps financially vulnerable families and boosts local economies.136 Children from families that receive refundable EITCs have higher birth weights, better test scores, are more likely to attend college and earn more as adult workers.137

The federal EITC in Ohio Senate District 20
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 26,955 residents of Senate District 20 claimed the federal EITC.138 That’s 16% of all tax filers in the District. The average federal EITC refund in the District was $2,386. The citizens of Senate District 20 brought back $57,777,802 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.139

Refundability matters
When a family’s credit exceeds their federal income tax liability, they receive the difference in a refund. Refundable EITCs boost the incomes of workers with low wages and helps them make ends meet. There are 29 states including Puerto Rico and the District of Columbia with state EITCS; only six are nonrefundable.

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The federal EITC in Ohio Senate District 21
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 42,553 residents of Senate District 21 claimed the federal EITC.\(^ {145}\) That’s 30% of all tax filers in the District. The average federal EITC refund in the District was $2,772. The citizens of Senate District 21 brought back $110,538,260 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^ {146}\)

Refundability matters
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\(^ {141}\) Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2KijSt2
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The federal EITC in Ohio Senate District 22
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 22,887 residents of Senate District 22 claimed the federal EITC.\textsuperscript{152} That’s 13% of all tax filers in the District. The average federal EITC refund in the District was $2,274. The citizens of Senate District 22 brought back $45,835,110 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\textsuperscript{153}

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\begin{tabular}{|l|c|}
\hline
Federal EITC impact for Senate District 22 &  \\
\hline
Number of EITC households & 22,887  \\
Percentage of all filers that claim EITC & 13%  \\
Total amount of EITC refunds to district & $45,835,110  \\
Average household refund & $2,274  \\
\hline
\end{tabular}
\end{table}

\textsuperscript{148} Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2XkJ5t2
\textsuperscript{149} Internal Revenue Service, Statistics for Tax Returns with EITC as of December 2020, at https://bit.ly/395vR0t
\textsuperscript{150} Caines, Roxy, 5 Ways the EITC Benefits Families, Communities, and the Country, Center on Budget and Policy Priorities, January 17, 2017 at https://bit.ly/3iszMsi
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The federal EITC in Ohio Senate District 23
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 32,674 residents of Senate District 23 claimed the federal EITC. That’s 19% of all tax filers in the District. The average federal EITC refund in the District was $2,472. The citizens of Senate District 23 brought back $71,574,245 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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Federal EITC impact for Senate District 23

<table>
<thead>
<tr>
<th></th>
<th>Senate District 23</th>
</tr>
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<tbody>
<tr>
<td>Number of EITC households</td>
<td>32,674</td>
</tr>
<tr>
<td>Percentage of all filers that claim EITC</td>
<td>19%</td>
</tr>
<tr>
<td>Total amount of EITC refunds to district</td>
<td>$71,574,245</td>
</tr>
<tr>
<td>Average household refund</td>
<td>$2,472</td>
</tr>
</tbody>
</table>

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The federal EITC in Ohio Senate District 24

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 14,688 residents of Senate District 24 claimed the federal EITC. That’s 8% of all tax filers in the District. The average federal EITC refund in the District was $2,065. The citizens of Senate District 24 brought back $25,311,262 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.166

Refundability matters

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The federal EITC in Ohio Senate District 25

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 33,113 residents of Senate District 25 claimed the federal EITC. That’s 19% of all tax filers in the District. The average federal EITC refund in the District was $2,534. The citizens of Senate District 25 brought back $76,496,840 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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The federal EITC in Ohio Senate District 26
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 24,454 residents of Senate District 26 claimed the federal EITC.180 That’s 16% of all tax filers in the District. The average federal EITC refund in the District was $2,352. The citizens of Senate District 26 brought back $51,721,919 in federal EITC refunds to their community.

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**The federal EITC in Ohio Senate District 27**

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 17,091 residents of Senate District 27 claimed the federal EITC.\(^\text{187}\) That’s 10% of all tax filers in the District. The average federal EITC refund in the District was $2,145. The citizens of Senate District 27 brought back $31,479,287 in federal EITC refunds to their community.

**Ohio’s EITC does little to help working families**

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^\text{188}\)

**Refundability matters**

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The federal EITC in Ohio Senate District 28

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 33,391 residents of Senate District 28 claimed the federal EITC.\(^{194}\) That’s 21% of all tax filers in the District. The average federal EITC refund in the District was $2,496. The citizens of Senate District 28 brought back $75,536,084 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^{195}\)

Refundability matters

When a family’s credit exceeds their federal income tax liability, they receive the difference in a refund. Refundable EITCs boost the incomes of workers with low wages and helps them make ends meet. There are 29 states including Puerto Rico and the District of Columbia with state EITCs; only six are nonrefundable.

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\(^{190}\) Halbert, Hannah, Ohio EITC too weak to work, Policy Matters Ohio, January 27, 2017 at https://bit.ly/2Kj5t2


\(^{194}\) Data provided by the Center on Budget and Policy Priorities in an e-mail of December 18, 2020 based on Internal Revenue Service data on 2018 tax filers by zip code and Missouri Census Data Center geographic crosswalks.

A winning policy to help Ohioans with low wages

Ohio’s lawmakers should add a new option to the state EITC, allowing families to claim either the current state EITC, which is 30% of the federal, or a new option, set at 10% of the federal EITC, but fully refundable. Adding a 10% refundable option to the current EITC would ensure the credit reaches the state’s lowest-paid Ohioans. Allowing tax filers to select the option that works best for them ensures the credit helps more Ohioans. Analysis from the Institute for Taxation and Economic Policy shows that this policy would help 756,800 Ohio families at a cost of $207.6 million. The average credit for families earning no more than $22,000 a year would be $230. For families earning between $22,000 and $40,000 the average credit would be $324.196

As Ohioans rebuild after the COVID-19 pandemic, policymakers should a create a state refundable EITC tier to help Ohio families recover.

196 Data provided by the Institute on Taxation and Economic Policy, from Aidan Davis to Wendy Patton, September 29, 2020.
Strengthen Ohio’s credit for working families

Kalitha Williams

Ohioans who are paid low wages have been doing essential work to support our communities during the COVID-19 pandemic — from keeping grocery store shelves stocked, to caring for our elderly family members, to keeping our offices safe and clean. State policymakers should give them the support they need and deserve by strengthening the state earned income tax credit (EITC) — a proven strategy to help Ohio families recover. The Ohio EITC is based on the federal EITC: the nation’s most powerful anti-poverty program that benefits both families and communities. In 2016, the federal credit lifted 265,000 Ohioans out of poverty. Last year, 895,000 Ohioans claimed $2.2 billion in federal EITCs. The credit only goes to families with at least one worker who has earned income. The credit reduces tax liability, helps financially vulnerable families and boosts local economies. Children from families that receive refundable EITCs have higher birth weights, better test scores, are more likely to attend college and earn more as adult workers.

The federal EITC in Ohio Senate District 29

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 27,805 residents of Senate District 29 claimed the federal EITC. That’s 17% of all tax filers in the District. The average federal EITC refund in the District was $2,422. The citizens of Senate District 29 brought back $60,243,875 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

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The federal EITC in Ohio Senate District 30
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 23,909 residents of Senate District 30 claimed the federal EITC. That’s 16% of all tax filers in the District. The average federal EITC refund in the District was $2,318. The citizens of Senate District 30 brought back $49,499,953 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.

Refundability matters
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Federal EITC impact for Senate District

<table>
<thead>
<tr>
<th></th>
<th>Senate District 30</th>
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<tbody>
<tr>
<td>Number of EITC household</td>
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<tr>
<td>Percentage of all filers that claim EITC</td>
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<tr>
<td>Total amount of EITC refunds to district</td>
<td>$49,499,953</td>
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<td>Average household refund</td>
<td>$2,318</td>
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As Ohioans rebuild after the COVID-19 pandemic, policymakers should create a state refundable EITC tier to help Ohio families recover.

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The federal EITC in Ohio Senate District 31

According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 25,879 residents of Senate District 31 claimed the federal EITC.\(^{215}\) That’s 15% of all tax filers in the District. The average federal EITC refund in the District was $2,337. The citizens of Senate District 31 brought back $53,431,503 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families

State policymakers implemented Ohio’s EITC in 2013 and expanded it twice. Because they didn’t make the credit refundable, it does little to help working Ohioans who are paid the least. The latest expansion in the 2019-2020 Transportation Budget increased the credit from 10% to 30% of the federal EITC. The change helps some middle-income families, but it only benefits an additional 1% of workers with annual incomes $22,000 and less.\(^{216}\)

Refundability matters

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The federal EITC in Ohio Senate District 32
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 26,829 residents of Senate District 32 claimed the federal EITC. That’s 18% of all tax filers in the District. The average federal EITC refund in the District was $2,387. The citizens of Senate District 32 brought back $57,041,287 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
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The federal EITC in Ohio Senate District 33
According to the most recent Internal Revenue Service data calculated from the Center on Budget and Policy Priorities, 28,745 residents of Senate District 33 claimed the federal EITC.229 That’s 19% of all tax filers in the District. The average federal EITC refund in the District was $2,455. The citizens of Senate District 33 brought back $63,244,553 in federal EITC refunds to their community.

Ohio’s EITC does little to help working families
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Federal EITC impact for Senate District 33

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<tr>
<td>Number of EITC households</td>
<td>28,745</td>
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<tr>
<td>Percentage of all filers that claim EITC</td>
<td>19%</td>
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<tr>
<td>Total amount of EITC refunds to district</td>
<td>$63,244,553</td>
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<tr>
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