



PRESS RELEASE

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Tax credits for workers & families

New data show how tax credits can help Ohioans who need it

Legislation now in Ohio's House of Representatives would reduce eligible families' income taxes by over \$1,000 per year on average, according to [Policy Matters Ohio analysis](#) of new data from the Institute on Taxation and Economic Policy. House Bill 290 would benefit over 1.4 million Ohio children by offering a refundable credit of \$1,000 per year for children ages 0-5, and a credit of \$500 per year for children ages 6-17.

Called the Thriving Families Tax Credit, the policy is tailored to benefit families left out of recent income-tax cuts in the state budget, which did little to help the 60% of Ohio households with annual income under \$75,000. In fact, many of these families saw a modest tax increase due to tax changes in the latest budget bill.

"Last year, some 372,340 Ohioans worked in industries where the median wage was too low to support a small family," said the report's lead author, Policy Matters Tax Policy Researcher Bailey Williams. "Legislators left out those workers when they slashed income taxes for higher-income households in the recent budget. HB 290 would help the Ohioans they ignored."

The report also includes analysis of proposed changes to the state's Earned Income Tax Credit (EITC), which would offer qualifying taxpayers the choice between a 10% refundable credit and the existing 30% nonrefundable credit. "Refundability is crucial to making these credits work for working people," said Williams. "It ensures taxpayers get the full value of their credit, even if it exceeds their tax liability."

The EITC proposal is carefully targeted to people who do low-paid work: Nearly 90% of the total value of the reformed EITC would go to those whose annual income is below \$50,000.

"Ohio's legislators know how to use the tax code to benefit Ohioans," said Williams. "The problem is that for decades they have used it to benefit their wealthiest constituents, at everyone else's expense. By creating a Thriving Families Tax Credit and improving the EITC, they can instead help the people who need it most."

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