



Ohio EITC Impact:

A credit that counts for working families in Senate 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 Senate District 1

According to the most recent data available from the Brookings Institution, 25,358 residents of Senate District 1 claimed the federal EITC.⁶ That's 16% of District tax filers. The average federal EITC in the District was \$2,158. In total, residents of Senate District 1, brought back \$54,712,692 in federal EITC to their communities.

Federal EITC impact for Senate District 1²

25,358
EITC households

16%
Percentage of all filers claiming
EITC

\$54,712,692
Total refunds to district

\$2,158
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 Senate District 1

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 1. If each of the Senate District 1 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$8,754,031 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 Senate District 1 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
25,358 EITC households	\$8,754,031 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 Senate 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 Senate District 2

According to the most recent data available from the Brookings Institution, 23,359 residents of Senate District 2 claimed the federal EITC.⁶ That's 14% of District tax filers. The average federal EITC in the District was \$2,054. In total, residents of Senate District 2, brought back \$47,968,761 in federal EITC to their communities.

Federal EITC impact for Senate District 2²

23,359
EITC households

14%
Percentage of all filers claiming
EITC

\$47,968,761
Total refunds to district

\$2,054
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 Senate District 2

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 2. If each of the Senate District 2 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$7,675,002 to the district, and an average credit of \$329.¹² 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 Senate District 2 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
23,359 EITC households	\$7,675,002 Total state EITC refund at 16 percent	\$329 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 Senate 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 Senate District 3

According to the most recent data available from the Brookings Institution, 31,913 residents of Senate District 3 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,458. In total, residents of Senate District 3, brought back \$78,449,185 in federal EITC to their communities.

Federal EITC impact for Senate District 3²

31,913
EITC households

20%
Percentage of all filers claiming
EITC

\$78,449,185
Total refunds to district

\$2,458
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 Senate District 3

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 3. If each of the Senate District 3 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$12,551,870 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 Senate District 3 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
31,913 EITC households	\$12,551,870 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 Senate 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

Federal EITC impact for Senate District 4 ²
24,742 EITC households
16% Percentage of all filers claiming EITC
\$57,040,957 Total refunds to district
\$2,305 Average household refund

The federal EITC in Senate District 4

According to the most recent data available from the Brookings Institution, 24,742 residents of Senate District 4 claimed the federal EITC.⁶ That’s 16% of District tax filers. The average federal EITC in the District was \$2,305. In total, residents of Senate District 4, brought back \$57,040,957 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 Senate District 4

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 4. If each of the Senate District 4 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,126,553 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 Senate District 4 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
24,742 EITC households	\$9,126,553 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 Senate 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

Federal EITC impact for Senate District 5 ²
36,140 EITC households
24% Percentage of all filers claiming EITC
\$89,492,084 Total refunds to district
\$2,476 Average household refund

The federal EITC in Senate District 5

According to the most recent data available from the Brookings Institution, 36,140 residents of Senate District 5 claimed the federal EITC.⁶ That’s 24% of District tax filers. The average federal EITC in the District was \$2,476. In total, residents of Senate District 5, brought back \$89,492,084 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 Senate District 5

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 5. If each of the Senate District 5 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$14,318,733 to the district, and an average credit of \$396.¹² 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 Senate District 5 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
36,140 EITC households	\$14,318,733 Total state EITC refund at 16 percent	\$396 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 Senate 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 Senate District 6

According to the most recent data available from the Brookings Institution, 25,589 residents of Senate District 6 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,221. In total, residents of Senate District 6, brought back \$56,820,436 in federal EITC to their communities.

Federal EITC impact for Senate District 6²

25,589
EITC households

15%
Percentage of all filers claiming
EITC

\$56,820,436
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 Senate District 6

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 6. If each of the Senate District 6 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,091,270 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 Senate District 6 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
25,589 EITC households	\$9,091,270 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 Senate 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

Federal EITC impact for Senate District 7 ²
17,518 EITC households
11% Percentage of all filers claiming EITC
\$37,016,357 Total refunds to district
\$2,113 Average household refund

The federal EITC in Senate District 7

According to the most recent data available from the Brookings Institution, 17,518 residents of Senate District 7 claimed the federal EITC.⁶ That’s 11% of District tax filers. The average federal EITC in the District was \$2,113. In total, residents of Senate District 7, brought back \$37,016,357 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 Senate District 7

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 7. If each of the Senate District 7 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$5,922,617 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 Senate District 7 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
17,518 EITC households	\$5,922,617 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 Senate 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 Senate District 8

According to the most recent data available from the Brookings Institution, 27,047 residents of Senate District 8 claimed the federal EITC.⁶ That’s 16% of District tax filers. The average federal EITC in the District was \$2,359. In total, residents of Senate District 8, brought back \$63,806,734 in federal EITC to their communities.

Federal EITC impact for Senate District 8 ²
27,047 EITC households
16% Percentage of all filers claiming EITC
\$63,806,734 Total refunds to district
\$2,359 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 Senate District 8

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 8. If each of the Senate District 8 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,209,077 to the district, and an average credit of \$377.¹² 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 Senate District 8 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
27,047 EITC households	\$10,209,077 Total state EITC refund at 16 percent	\$377 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 Senate 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 Senate District 9

According to the most recent data available from the Brookings Institution, 38,282 residents of Senate District 9 claimed the federal EITC.⁶ That's 25% of District tax filers. The average federal EITC in the District was \$2,478. In total, residents of Senate District 9, brought back \$94,854,012 in federal EITC to their communities.

Federal EITC impact for Senate District 9²

38,282
EITC households

25%
Percentage of all filers claiming
EITC

\$94,854,012
Total refunds to district

\$2,478
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 Senate District 9

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 9. If each of the Senate District 9 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$15,176,642 to the district, and an average credit of \$396.¹² 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 Senate District 9 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
38,282 EITC households	\$15,176,642 Total state EITC refund at 16 percent	\$396 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 Senate 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 Senate District 10

According to the most recent data available from the Brookings Institution, 26,273 residents of Senate District 10 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,259. In total, residents of Senate District 10, brought back \$59,360,224 in federal EITC to their communities.

Federal EITC impact for Senate District 10²

26,273
EITC households

18%
Percentage of all filers claiming
EITC

\$59,360,224
Total refunds to district

\$2,259
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 Senate District 10

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 10. If each of the Senate District 10 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,497,636 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 Senate District 10 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
26,273 EITC households	\$9,497,636 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 Senate 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 Senate District 11

According to the most recent data available from the Brookings Institution, 37,595 residents of Senate District 11 claimed the federal EITC.⁶ That's 25% of District tax filers. The average federal EITC in the District was \$2,455. In total, residents of Senate District 11, brought back \$92,286,458 in federal EITC to their communities.

Federal EITC impact for Senate District 11²

37,595
EITC households

25%
Percentage of all filers claiming
EITC

\$92,286,458
Total refunds to district

\$2,455
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 Senate District 11

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 11. If each of the Senate District 11 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$14,765,833 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 Senate District 11 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
37,595 EITC households	\$14,765,833 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 Senate 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 Senate District 12

According to the most recent data available from the Brookings Institution, 26,447 residents of Senate District 12 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,227. In total, residents of Senate District 12, brought back \$58,898,599 in federal EITC to their communities.

Federal EITC impact for Senate District 12²

26,447
EITC households

17%
Percentage of all filers claiming
EITC

\$58,898,599
Total refunds to district

\$2,227
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 Senate District 12

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 12. If each of the Senate District 12 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,423,776 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 Senate District 12 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
26,447 EITC households	\$9,423,776 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 Senate 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 Senate District 13

According to the most recent data available from the Brookings Institution, 28,124 residents of Senate District 13 claimed the federal EITC.⁶ That's 17% of District tax filers. The average federal EITC in the District was \$2,286. In total, residents of Senate District 13, brought back \$64,283,388 in federal EITC to their communities.

Federal EITC impact for Senate District 13²

28,124
EITC households

17%
Percentage of all filers claiming
EITC

\$64,283,388
Total refunds to district

\$2,286
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 Senate District 13

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 13. If each of the Senate District 13 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,285,342 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 Senate District 13 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,124 EITC households	\$10,285,342 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 Senate 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 Senate District 14

According to the most recent data available from the Brookings Institution, 28,861 residents of Senate District 14 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,325. In total, residents of Senate District 14, brought back \$67,095,790 in federal EITC to their communities.

Federal EITC impact for Senate District 14²

28,861
EITC households

19%
Percentage of all filers claiming
EITC

\$67,095,790
Total refunds to district

\$2,325
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 Senate District 14

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 14. If each of the Senate District 14 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,735,326 to the district, and an average credit of \$372.¹² 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 Senate District 14 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,861 EITC households	\$10,735,326 Total state EITC refund at 16 percent	\$372 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 Senate 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 Senate District 15

According to the most recent data available from the Brookings Institution, 43,715 residents of Senate District 15 claimed the federal EITC.⁶ That's 28% of District tax filers. The average federal EITC in the District was \$2,567. In total, residents of Senate District 15, brought back \$112,200,789 in federal EITC to their communities.

Federal EITC impact for Senate District 15²

43,715
EITC households

28%
Percentage of all filers claiming
EITC

\$112,200,789
Total refunds to district

\$2,567
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 Senate District 15

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 15. If each of the Senate District 15 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$17,952,126 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 Senate District 15 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
43,715 EITC households	\$17,952,126 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 Senate 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 Senate District 16

According to the most recent data available from the Brookings Institution, 20,039 residents of Senate District 16 claimed the federal EITC.⁶ That's 11% of District tax filers. The average federal EITC in the District was \$2,221. In total, residents of Senate District 16, brought back \$44,513,729 in federal EITC to their communities.

Federal EITC impact for Senate District 16²

20,039
EITC households

11%
Percentage of all filers claiming
EITC

\$44,513,729
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 Senate District 16

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 16. If each of the Senate District 16 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$7,122,197 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 Senate District 16 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
20,039 EITC households	\$7,122,197 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 Senate 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 Senate District 17

According to the most recent data available from the Brookings Institution, 32,893 residents of Senate District 17 claimed the federal EITC.⁶ That's 23% of District tax filers. The average federal EITC in the District was \$2,339. In total, residents of Senate District 17, brought back \$76,930,877 in federal EITC to their communities.

Federal EITC impact for Senate District 17²

32,893
EITC households

23%
Percentage of all filers claiming
EITC

\$76,930,877
Total refunds to district

\$2,339
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 Senate District 17

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 17. If each of the Senate District 17 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$12,308,940 to the district, and an average credit of \$374.¹² 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 Senate District 17 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
32,893 EITC households	\$12,308,940 Total state EITC refund at 16 percent	\$374 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 Senate 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 Senate District 18

According to the most recent data available from the Brookings Institution, 20,248 residents of Senate District 18 claimed the federal EITC.⁶ That's 13% of District tax filers. The average federal EITC in the District was \$2,008. In total, residents of Senate District 18, brought back \$40,659,872 in federal EITC to their communities.

Federal EITC impact for Senate District 18 ²
20,248 EITC households
13% Percentage of all filers claiming EITC
\$40,659,872 Total refunds to district
\$2,008 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 Senate District 18

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 18. If each of the Senate District 18 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$6,505,580 to the district, and an average credit of \$321.¹² 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 Senate District 18 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
20,248 EITC households	\$6,505,580 Total state EITC refund at 16 percent	\$321 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 Senate 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 Senate District 19

According to the most recent data available from the Brookings Institution, 24,190 residents of Senate District 19 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,256. In total, residents of Senate District 19, brought back \$54,577,198 in federal EITC to their communities.

Federal EITC impact for Senate District 19²

24,190
EITC households

15%
Percentage of all filers claiming
EITC

\$54,577,198
Total refunds to district

\$2,256
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 Senate District 19

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 19. If each of the Senate District 19 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$8,732,352 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 Senate District 19 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
24,190 EITC households	\$8,732,352 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 Senate 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 Senate District 20

According to the most recent data available from the Brookings Institution, 28,981 residents of Senate District 20 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,265. In total, residents of Senate District 20, brought back \$65,646,860 in federal EITC to their communities.

Federal EITC impact for Senate District 20²

28,981
EITC households

19%
Percentage of all filers claiming
EITC

\$65,646,860
Total refunds to district

\$2,265
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 Senate District 20

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 20. If each of the Senate District 20 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,503,498 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 Senate District 20 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,981 EITC households	\$10,503,498 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 Senate 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 Senate District 21

According to the most recent data available from the Brookings Institution, 47,122 residents of Senate District 21 claimed the federal EITC.⁶ That's 34% of District tax filers. The average federal EITC in the District was \$2,735. In total, residents of Senate District 21, brought back \$128,870,673 in federal EITC to their communities.

Federal EITC impact for Senate District 21²

47,122
EITC households

34%
Percentage of all filers claiming
EITC

\$128,870,673
Total refunds to district

\$2,735
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 Senate District 21

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 21. If each of the Senate District 21 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$20,619,308 to the district, and an average credit of \$438.¹² 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 Senate District 21 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
47,122 EITC households	\$20,619,308 Total state EITC refund at 16 percent	\$438 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 Senate 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 Senate District 22

According to the most recent data available from the Brookings Institution, 24,591 residents of Senate District 22 claimed the federal EITC.⁶ That's 15% of District tax filers. The average federal EITC in the District was \$2,154. In total, residents of Senate District 22, brought back \$52,960,546 in federal EITC to their communities.

Federal EITC impact for Senate District 22²

24,591
EITC households

15%
Percentage of all filers claiming
EITC

\$52,960,546
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 Senate District 22

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 22. If each of the Senate District 22 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$8,473,687 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 Senate District 22 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
24,591 EITC households	\$8,473,687 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 Senate 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 Senate District 23

According to the most recent data available from the Brookings Institution, 33,376 residents of Senate District 23 claimed the federal EITC.⁶ That's 21% of District tax filers. The average federal EITC in the District was \$2,335. In total, residents of Senate District 23, brought back \$77,929,820 in federal EITC to their communities.

Federal EITC impact for Senate District 23²

33,376
EITC households

21%
Percentage of all filers claiming
EITC

\$77,929,820
Total refunds to district

\$2,335
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 Senate District 23

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 23. If each of the Senate District 23 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$12,468,771 to the district, and an average credit of \$374.¹² 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 Senate District 23 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
33,376 EITC households	\$12,468,771 Total state EITC refund at 16 percent	\$374 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 Senate 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 Senate District 24

According to the most recent data available from the Brookings Institution, 14,734 residents of Senate District 24 claimed the federal EITC.⁶ That's 8% of District tax filers. The average federal EITC in the District was \$1,908. In total, residents of Senate District 24, brought back \$28,114,571 in federal EITC to their communities.

Federal EITC impact for Senate District 24²

14,734
EITC households

8%
Percentage of all filers claiming
EITC

\$28,114,571
Total refunds to district

\$1,908
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 Senate District 24

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 24. If each of the Senate District 24 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$4,498,331 to the district, and an average credit of \$305.¹² 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 Senate District 24 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
14,734 EITC households	\$4,498,331 Total state EITC refund at 16 percent	\$305 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 Senate 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 Senate District 25

According to the most recent data available from the Brookings Institution, 32,585 residents of Senate District 25 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,404. In total, residents of Senate District 25, brought back \$78,338,710 in federal EITC to their communities.

Federal EITC impact for Senate District 25²

32,585
EITC households

20%
Percentage of all filers claiming
EITC

\$78,338,710
Total refunds to district

\$2,404
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 Senate District 25

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 25. If each of the Senate District 25 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$12,534,194 to the district, and an average credit of \$385.¹² 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 Senate District 25 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
32,585 EITC households	\$12,534,194 Total state EITC refund at 16 percent	\$385 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 Senate 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 Senate District 26

According to the most recent data available from the Brookings Institution, 27,336 residents of Senate District 26 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,211. In total, residents of Senate District 26, brought back \$60,445,187 in federal EITC to their communities.

Federal EITC impact for Senate District 26²

27,336
EITC households

18%
Percentage of all filers claiming
EITC

\$60,445,187
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 Senate District 26

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 26. If each of the Senate District 26 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,671,230 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 Senate District 26 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
27,336 EITC households	\$9,671,230 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 Senate 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 Senate District 27

According to the most recent data available from the Brookings Institution, 18,600 residents of Senate District 27 claimed the federal EITC.⁶ That’s 12% of District tax filers. The average federal EITC in the District was \$2,019. In total, residents of Senate District 27, brought back \$37,545,903 in federal EITC to their communities.

Federal EITC impact for Senate District 27 ²
18,600 EITC households
12% Percentage of all filers claiming EITC
\$37,545,903 Total refunds to district
\$2,019 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 Senate District 27

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 27. If each of the Senate District 27 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$6,007,344 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 Senate District 27 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
18,600 EITC households	\$6,007,344 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 Senate 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

Federal EITC impact for Senate District 28 ²
34,526 EITC households
22% Percentage of all filers claiming EITC
\$80,837,140 Total refunds to district
\$2,341 Average household refund

The federal EITC in Senate District 28

According to the most recent data available from the Brookings Institution, 34,526 residents of Senate District 28 claimed the federal EITC.⁶ That’s 22% of District tax filers. The average federal EITC in the District was \$2,341. In total, residents of Senate District 28, brought back \$80,837,140 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 Senate District 28

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 28. If each of the Senate District 28 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$12,933,942 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 Senate District 28 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
34,526 EITC households	\$12,933,942 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 Senate 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 Senate District 29

According to the most recent data available from the Brookings Institution, 29,286 residents of Senate District 29 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,227. In total, residents of Senate District 29, brought back \$65,221,275 in federal EITC to their communities.

Federal EITC impact for Senate District 29²

29,286
EITC households

18%
Percentage of all filers claiming
EITC

\$65,221,275
Total refunds to district

\$2,227
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 Senate District 29

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 29. If each of the Senate District 29 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,435,404 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 Senate District 29 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
29,286 EITC households	\$10,435,404 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 Senate 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

Federal EITC impact for Senate District 30 ²
28,120 EITC households
19% Percentage of all filers claiming EITC
\$60,107,275 Total refunds to district
\$2,138 Average household refund

The federal EITC in Senate District 30

According to the most recent data available from the Brookings Institution, 28,120 residents of Senate District 30 claimed the federal EITC.⁶ That’s 19% of District tax filers. The average federal EITC in the District was \$2,138. In total, residents of Senate District 30, brought back \$60,107,275 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 Senate District 30

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 30. If each of the Senate District 30 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$9,617,164 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 Senate District 30 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,120 EITC households	\$9,617,164 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 Senate 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 Senate District 31

According to the most recent data available from the Brookings Institution, 28,887 residents of Senate District 31 claimed the federal EITC.⁶ That's 18% of District tax filers. The average federal EITC in the District was \$2,196. In total, residents of Senate District 31, brought back \$63,436,912 in federal EITC to their communities.

Federal EITC impact for Senate District 31²

28,887
EITC households

18%
Percentage of all filers claiming
EITC

\$63,436,912
Total refunds to district

\$2,196
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 Senate District 31

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 31. If each of the Senate District 31 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,149,906 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 Senate District 31 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,887 EITC households	\$10,149,906 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 Senate 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 Senate District 32

According to the most recent data available from the Brookings Institution, 28,257 residents of Senate District 32 claimed the federal EITC.⁶ That's 19% of District tax filers. The average federal EITC in the District was \$2,228. In total, residents of Senate District 32, brought back \$62,947,287 in federal EITC to their communities.

Federal EITC impact for Senate District 32²

28,257
EITC households

19%
Percentage of all filers claiming
EITC

\$62,947,287
Total refunds to district

\$2,228
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 Senate District 32

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 32. If each of the Senate District 32 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,071,566 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 Senate District 32 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
28,257 EITC households	\$10,071,566 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 Senate 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 Senate District 33

According to the most recent data available from the Brookings Institution, 30,064 residents of Senate District 33 claimed the federal EITC.⁶ That's 20% of District tax filers. The average federal EITC in the District was \$2,286. In total, residents of Senate District 33, brought back \$68,716,563 in federal EITC to their communities.

Federal EITC impact for Senate District 33²

30,064
EITC households

20%
Percentage of all filers claiming
EITC

\$68,716,563
Total refunds to district

\$2,286
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 Senate District 33

Making these changes to Ohio's state EITC would substantially benefit residents in Senate District 33. If each of the Senate District 33 residents who claimed a federal credit also received a 16 percent, refundable, non-capped state EITC, the state credit could return \$10,994,650 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 Senate District 33 Estimated impact of a 16 percent, refundable, non-capped Ohio EITC		
30,064 EITC households	\$10,994,650 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

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 \$349,133,898 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	\$349,133,898 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.