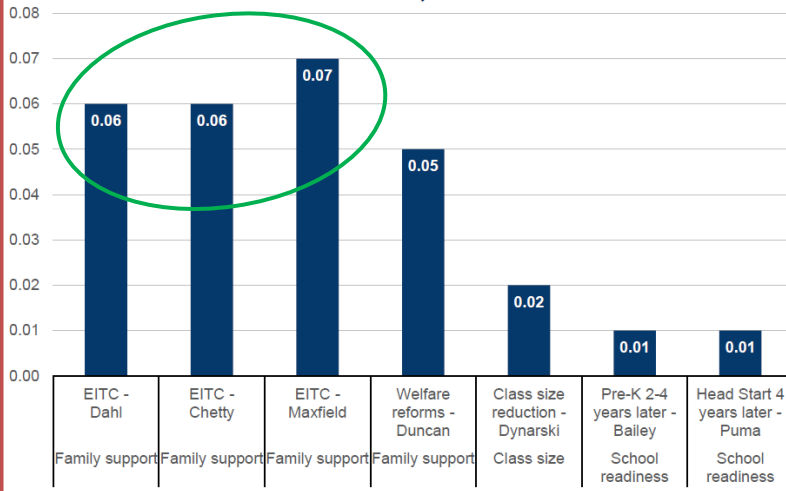


### EITC has #1 ROI

boosting educational performance for at-risk kids

Impact on test scores of low-income children during the school years, reported in effect size, of \$1,000 of public expenditure on family support, class size reduction, or school readiness



Source: AEI's Dr. Michael Strain testimony to Utah Legislature, 9/21/16

### EITC enjoys strong bipartisan support



As he proposed expanding the federal EITC, Speaker Ryan said: "This is one of the few programs that have shown results. It encourages people to work by increasing the rewards of work."

### 29 STATES HAVE A STATE EITC (3 new states in 2017)

(percentages of the federal EITC)

CA – 85% of federal EITC (but only up to income of \$22,300)	ME – 5%	OK – 5% (non-ref)
CO – 10%	MD – 28%	OR – 8%
CT – 27.5%	MA – 23%	RI – 15%
DE – 20% (non-refundable)	MI – 6%	SC – 125% (non-ref)
HI – 20% (non-refundable)	MN – 25-45% varies with income	VT – 32%
IL – 10%	MT – 3%	VA – 20% (non-ref)
IN – 9%	NE – 10%	WA – 10% or \$50 min (not yet funded)
IA – 15%	NJ – 30%	WI – 1 child 4%
KS – 17%	NM – 10%	2 children 11%
LA – 3.5%	NY – 30%	3 children 34%
	OH – 10% (non-ref)	

### The federal EITC in Utah today...

- Lifts over 60,000 Utahns out of poverty each year, half of them children.
- How? By letting low-income families keep more of what they earn.
- The EITC reduces poverty by increasing work and reducing welfare dependence for parents.
- EITC brings gains in health and education for children.

### How many Utahns now receive the EITC?

- About 200,000 lower-income working households – 18% of all tax filers.
- About 220,000 workers and 290,000 kids.

### Utah thought leaders on the EITC:

- **Deseret News**, January 12, 2016 editorial: "In our opinion: Earned Income Tax Credit provides better poverty relief than raising the minimum wage"
- **Sutherland Institute**: "...the proposed EITC helps people who are ready and able to help themselves escape intergenerational poverty through work ... It is both sound economic policy and prudent welfare policy... It is good for those in poverty, good for the economy, and good for taxpayers as well."
- **Natalie Gochmour**, Deseret News op-ed, March 2, 2017: "My favored policy intervention is a refundable earned income tax credit (EITC) for low-income households... it captures the "triple play." It incentivizes work, targets the exact population you want to help (working parents with children), and spreads the social cost to all taxpayers. It's also easy to administer."
- **Salt Lake Chamber**: "We support efforts to expand economic opportunity for lower income Utahns through increased education, enhanced training opportunities and an earned income tax credit."

# HB 57: The IGP EITC

## WHO SUPPORTS HB 57: THE UTAH INTERGENERATIONAL POVERTY WORK AND SELF-SUFFICIENCY TAX CREDIT?

- Voices for Utah Children
- Sutherland Institute
- Next Generation Freedom Fund
- United Way of Salt Lake
- Utah Education Association
- Salt Lake Chamber
- Intergenerational Welfare Reform Commission and IGP Advisory Committee
- Comm. Action P'ship of Utah
- Amer. Academy of Pediatrics
- Utah Acad. Family Physicians
- Leg Coal for People w Disabilities
- Utah Housing Coalition
- Utahns Against Hunger
- Comunidades Unidas
- Catholic Diocese of SLC
- United Jewish Fed of Utah
- RESULTS Utah
- Utah Citizens Counsel
- YWCA Utah

HB 57 strengthens Utah's groundbreaking Intergenerational Poverty (IGP) initiative with an Earned Income Tax Credit (EITC). Twenty-nine other states across the nation and across the political spectrum have already created state EITCs, boosting work, independence, and self-sufficiency for low-income families. Utah should too, starting with our most at-risk population, the 39,376 adults and 59,579 kids grappling with intergenerational poverty (comprising 26% of all adults receiving public assistance, 62% of whom worked in 2016).

How would the IGP EITC work?

- A state EITC for 25,000 IGP families that work, qualify for the federal EITC, and file state taxes

How much would families receive?

- 10% of the federal EITC: ~\$240 on average, up to ~\$600, depending on income and # of kids

How much is the total fiscal impact?

- \$6 million from General Fund in FY2020 (compared to \$25 million for 2014's HB218 Rep Hutchings/Sen Valentine that passed the House but not the Senate)

How did the bill do last year?

- In 2017 HB 294 passed the House 61-7 and the Senate Revenue and Taxation Committee 4-1

## Does the EITC really help? Listen to the stories of typical Utah families....

"Two years ago my family was in jeopardy of becoming homeless due to job loss until we received the EITC."

-- Emily, Salt Lake Co.

"We have 8 kids... we're just in a down period right now... the EITC means the world to our kids and us, it's a blessing to us."

-- Sean and Brandi, Provo

"I was blown away when I saw the impact the EITC made...it's such a relief to know I have savings in case of an emergency."

-- Jackie, Layton

"I hope to pay my school loan back, my medical bills, and give some money to my son for school."

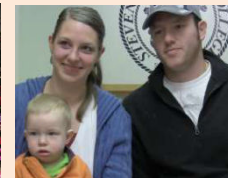
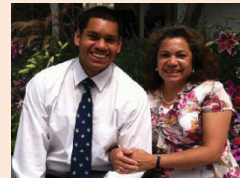
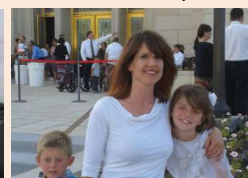
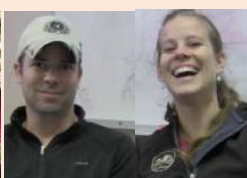
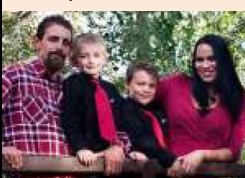
-- Ada, Provo

"Even a couple hundred extra dollars goes a long way, just to have it... in case of an emergency."

-- Davin + Shante, Layton

"\$200 we can make last over a month, so it's huge... The 14 year old came up to us last night, "I need some new pants, new socks," and you're going, where do I get the money for this from?"

-- Mike, Kearns



Learn more about their stories at [UtahFamilyTaxCredits.org/category/story](http://UtahFamilyTaxCredits.org/category/story)

