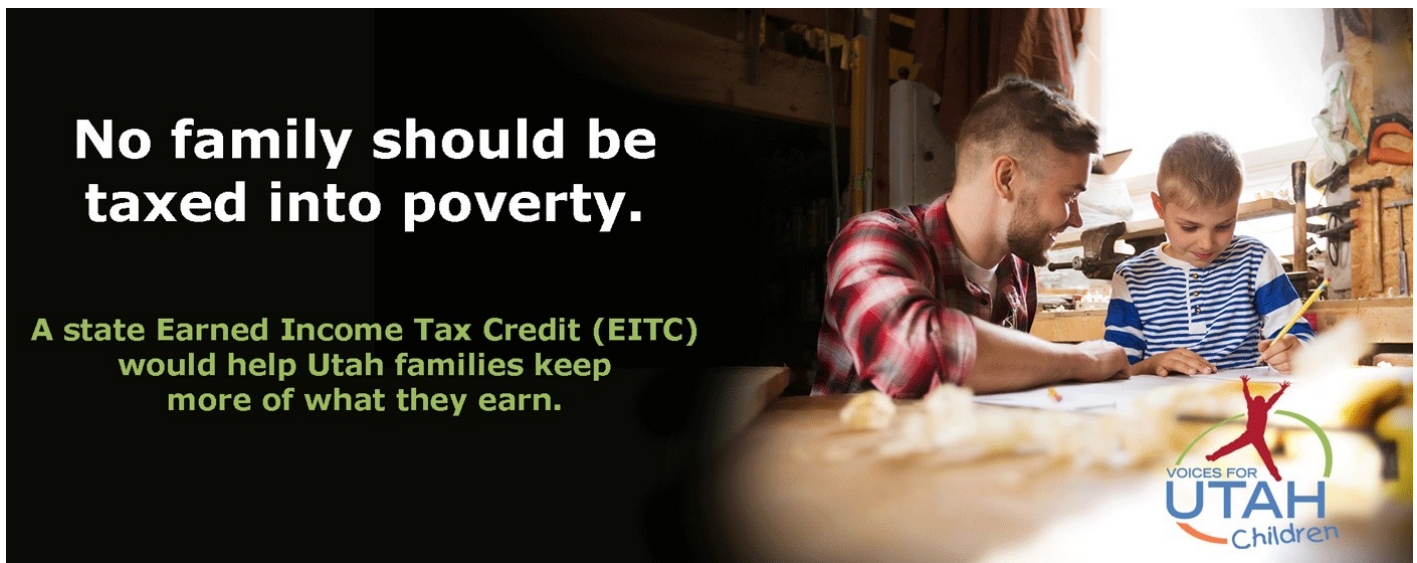


# Creating a Targeted State Earned Income Tax Credit (EITC)

Published: Wednesday, 11 January 2017 11:47

Written by: Matthew Weinstein

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The federal Earned Income Tax Credit (EITC) lifts 60,000 Utahns out of poverty each year, half of them children, by letting low-income families keep more of what they earn.

EITC helps working families make ends meet.

EITC keeps families working.

EITC reduces poverty, especially among children.

EITC put \$426 mil. back into Utah's economy in 2017.

A state EITC targeted to families living in intergenerational poverty (IGP) will give a boost to the 25,000 **working** families who qualify for the federal EITC and file state taxes.

It will ensure that eligible **working** families receive 10% of federal EITC - up to \$640 depending on income and number of children.

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A state EITC may increase participation in the federal EITC. Only 75% of tax filers take advantage of the federal EITC

No bureaucracy or staff to administer.

## FISCAL IMPACT

\$6 million from General Fund which is a small portion of the over \$25 million in state and local taxes paid every year by these **working** families.

Simply put, 58,820 children identified as living in intergenerational poverty amounts to \$102 per child.

## STATES WITH A STATE EITC

Twenty-nine states across the nation and political spectrum have created state EITCs.

## EITC has strong bipartisan support

“... 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.” Sutherland Institute

“I know of no public policy innovation over the past 30 years to help low-income individuals that has as much promise as Utah’s intergenerational poverty work. When combined with an EITC, Utah will be able to show the nation how public policies that are targeted, incentivize work, are fiscally constrained and include measurable outcomes are the best way to help families and children with great need.”

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Natalie Gochnour

Associate Dean, David Eccles School of Business,

University of Utah, Deseret News column, March 1, 2018

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For 30 years now, Voices for Utah Children has called on our state, federal and local leaders to put children's needs first. But the work is not done. The children of 30 years ago now have children of their own. Too many of these children are growing up in poverty, without access to healthcare or quality educational opportunities.

## How can you be involved?

[Make a tax-deductible donation](#) to Voices for Utah Children—or [or join our Network](#) with a monthly donation of \$20 or more. Network membership includes complimentary admission to Network events with food, socializing, and opportunity to meet child advocacy experts. And don't forget to [join our listserv](#) to stay informed!

We look forward to the future of Voices for Utah Children and we hope you will be a part of our next 30 years.

*Special thanks to American Express, our "Making a Difference All Year Long"*



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