

Take Action on EITC Awareness Day

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Written by: Abdikadir Eftin



January 26th is Earned Income Tax Credit (EITC) Awareness Day! The EITC is a vital tool in reducing child poverty, and improving the long-term outcomes for children across our state.

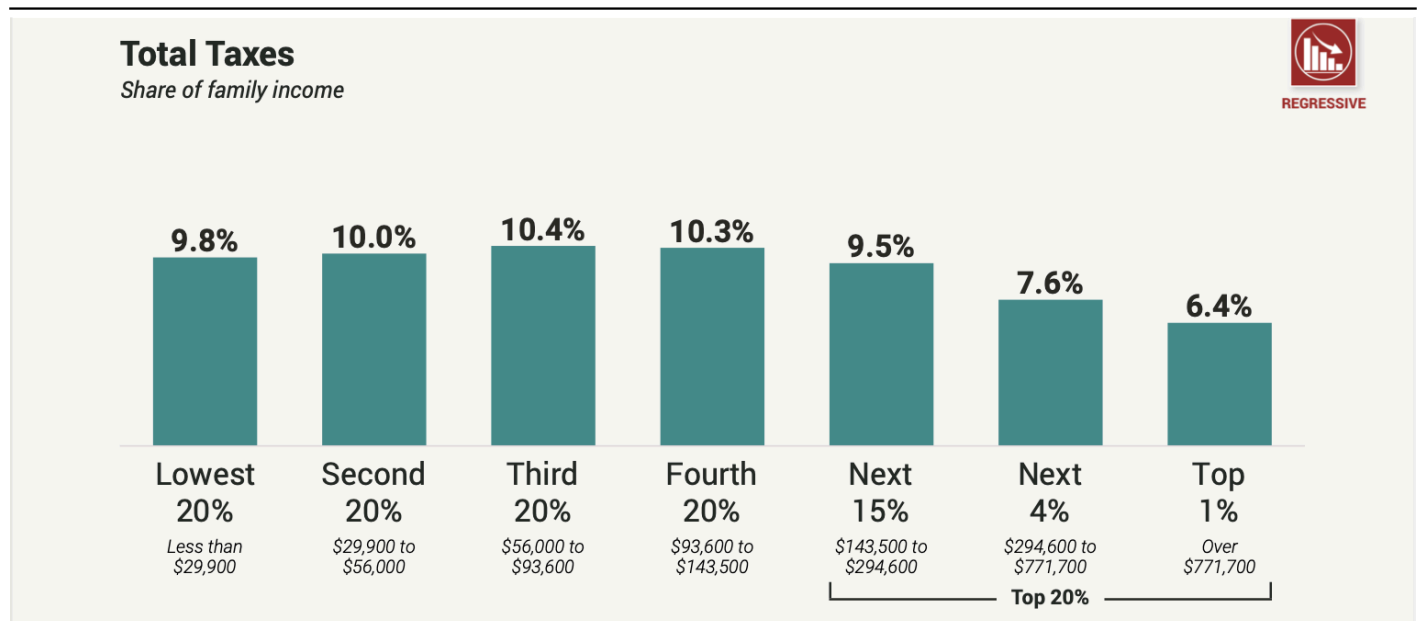
Some tax policies - like the EITC - promote fairness and equity. Others make social inequality worse - we call those policies “regressive;” Regressive policies disproportionately hurt lower-income individuals while disproportionately benefiting rich people. That simply isn’t fair.

Utah was ranked 29 out of 50 states (plus the District of Columbia) in a recently released report from the Institute of Taxation and Economic Policy (ITEP) —ITEP uses a “tax inequality index” to measure the effects of each state’s tax system on income inequality. Data from ITEP shows that lower and middle-income households pay a larger portion of their income in taxes overall, when compared to wealthier households. Middle-class families pay the highest effective tax rate (income tax, sales tax, other taxes and fees), while the wealthiest 1% of Utah households pay the least of all (see table below).

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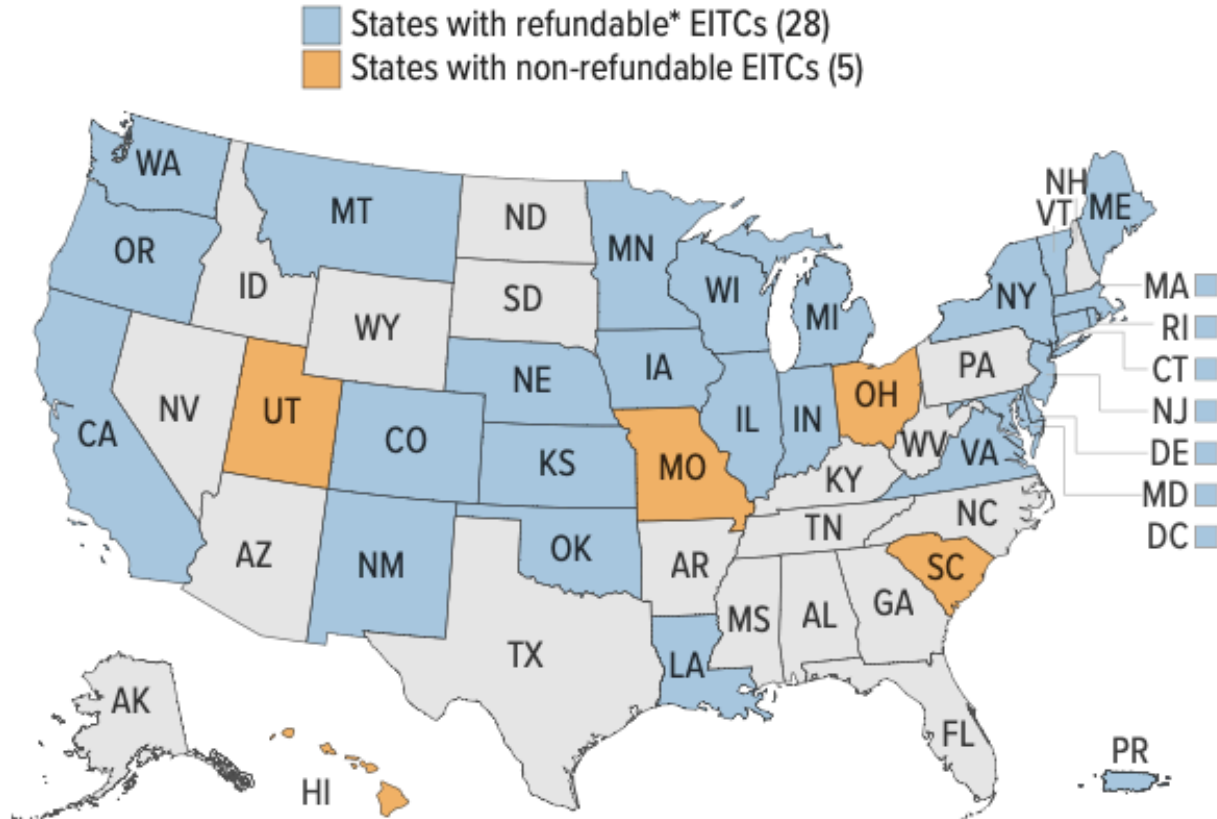


Thirty-one states and the District of Columbia have a state Earned Income Tax Credit (EITC). **Utah is one of only five states that excludes the poorest working families from benefiting from their state EITC, by making their EITC non-refundable.** By contrast, many states have taken steps to ensure that their state EITC includes as many low- and middle-income families as possible. In 2024, Utah legislators will have a chance to help more Utah families, too - by making our state EITC refundable.

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Support HB 149: Make Utah's EITC Refundable!

This year, Representative [Marsha Judkins](#) (R-Provo) is championing [HB149](#), which would transform Utah's EITC into a refundable credit. This bold change will help many more families to afford essential necessities for their children's well-being, such as food, clothing and medical care.

On this EITC Awareness Day, let's make some noise! Reach out to your state legislators, remind them why this policy is impactful for families and children, and help us advocate for a more fair and equitable tax system.

To learn more about the Earned Income Tax Credit, see [here](#).