



California Budget
& Policy Center

California's New State Earned Income Tax Credit

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BAY AREA STATE EITC STAKEHOLDERS SUMMIT
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The Federal EITC Has a Decades-Long Track Record of Success

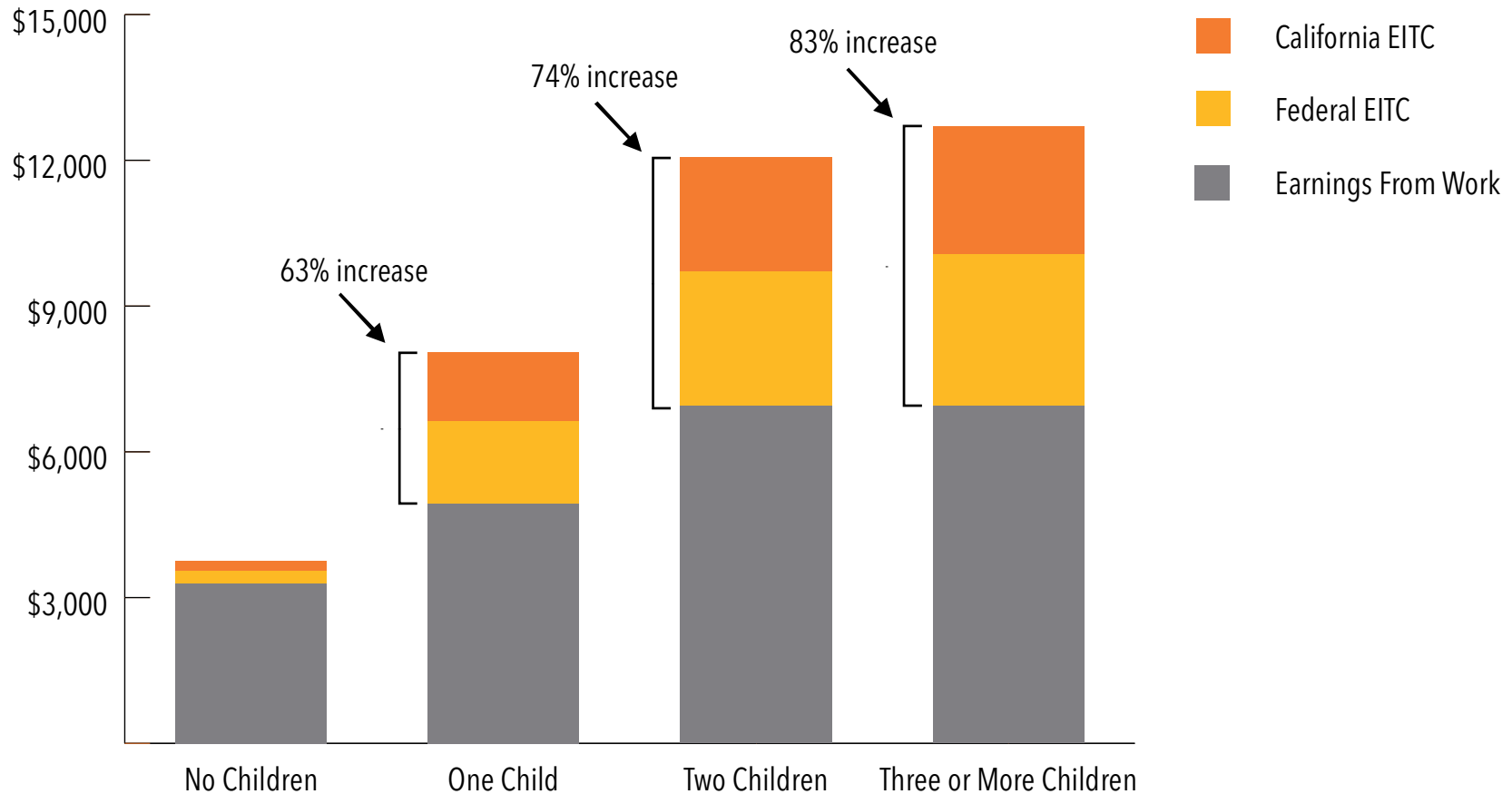
The federal EITC:

- **Reduces poverty.** Together with the Child Tax Credit, it lifts more children out of poverty than any other policy.
- **Boosts employment.** The credit has significantly increased employment, particularly among single mothers.
- **Benefits families and children.** The credit has been linked to improved health for mothers and infants as well as to better educational outcomes for children.
- **Boosts local economies.** The credit brings billions of federal dollars into the state that workers spend.



The California and Federal EITCs Could Significantly Boost the Incomes of Working Families With Children

Maximum Increase in Income From the State and Federal Earned Income Tax Credits, 2015



Source: Budget Center analysis of the California and federal Earned Income Tax Credits



California's EITC Will Benefit Workers Who Don't Have Full-Time, Year-Round Work

Workers who will benefit from the state credit likely include people who:

- Face significant barriers to work, such as health problems, a lack of a stable place to live, or a prior conviction.
- Have limited work histories that make it difficult to find full-time jobs.
- Lose their jobs or have their hours of work reduced.

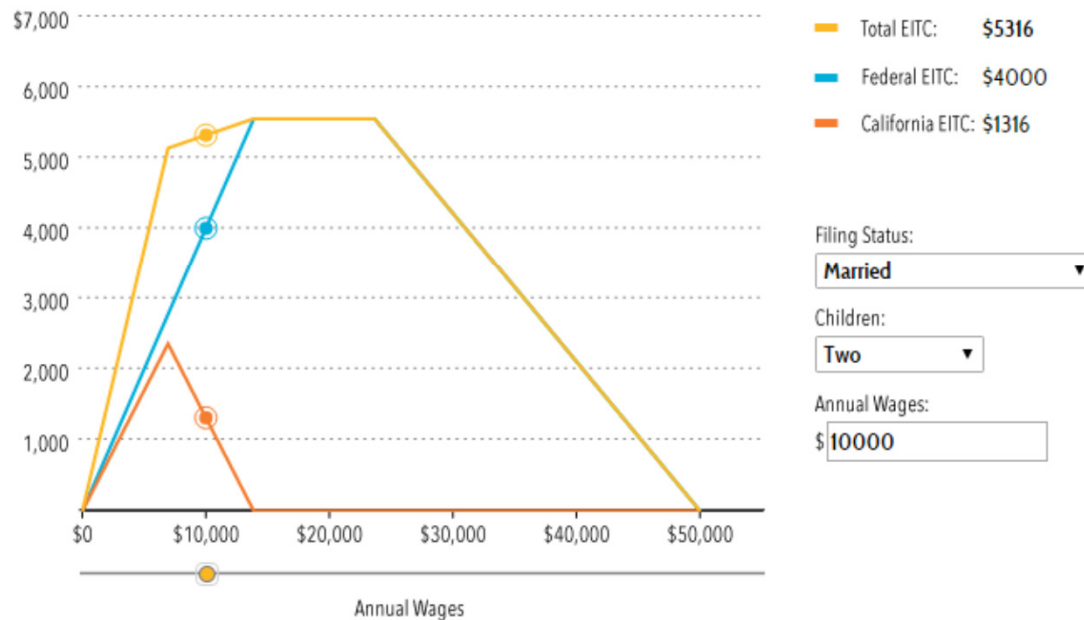


How to Use the Budget Center's Web-Based Interactive EITC Tool

Go to: http://bit.ly/CA_EITC_interactive

How Much Will Working Families and Individuals Benefit From California's EITC?

Value of Federal and California Earned Income Tax Credits, 2015



Note: California and federal EITC figures may not sum to total EITC figure due to rounding.



Promoting California's State EITC Will Be Critical to Its Success

Promoting the state Earned Income Tax Credit is important because:

- The credit targets workers who may not be familiar with how to file state income taxes.
- Success in the credit's first year (tax year 2015) could help ensure policymakers continue to fund the credit in future years.
- It provides an opportunity to boost participation in the *federal* EITC.



You Can Help Promote California's State Earned Income Tax Credit

You can:

- Share information about the credit and free tax preparation services through:
 - CalEITC4me.org
 - myfreetaxes.org
- Sign up for updates from the CalEITC4me campaign.
- Become a CalEITC4me community partner.
- Help recruit VITA (Volunteer Income Tax Assistance) volunteers. To learn more, see:
 - irs.gov/Individuals/IRS-Tax-Volunteers





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