California Earned Income Tax Credit

The California Earned Income Tax Credit (CalEITC) is a refundable state tax credit that helps people who earn little from their jobs pay for necessities for their families. Workers receiving the CalEITC and California’s Young Child Tax Credit can see their incomes significantly increased. For example, a mother of two children, ages 4 and 7, who works part-time at California’s minimum wage – earning $12,000 annually – can receive $1,222 from the CalEITC, $1,000 from the Young Child Tax Credit, plus another $6,225 through refundable federal tax credits – boosting this family’s income by 70%.

CalEITC Expands Economic Security

- .4 million households in 2015
- 1.5 million households in 2018
- 3 million households in 2019
- $30K income limit increase
- Credit size increase
- Substantial income limit increase
- Modest income limit increase
- Self-employed increase
- Young adults & seniors increase
- Young Child Tax Credit increase
- CalEITC established

What Can a $1,000 Tax Credit Help a Family Afford?

- 9 weeks of groceries for a mother and her 2 children
- 1 year supply of diapers
- 13 months of public transit passes to commute to work or school

Critical Next Step – Including Immigrant Families

California has been a national leader in creating and expanding tax credits to support families. Yet, many immigrant families are excluded from benefiting from the CalEITC as well as from California’s Young Child Tax Credit. Policymakers have an opportunity to make these credits inclusive of immigrant families who pay taxes, earn little from their jobs, and experience significant economic disparities in our communities. California’s future depends on the investments we make in all of our state’s children today.