

Bill No. 163
Human Services Committee
Connecticut State Legislature
Hartford, CT 06101

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My name is Mark Kosnoff. I am a member of United Action, a faith based organization that supports causes of social justice. I am writing in support of a state Earned Income Tax Credit (EITC). The arguments in favor of enacting a state EITC are many and by now, fairly well known. Although I don't feel they need repeating I will do so simply for the record. Studies have shown that an EITC encourages workforce participation by rewarding people who work. It reduces child poverty, more than any other federal program. It puts money back into the local economy as EITC filers typically spend their refunds on durable goods. And it helps struggling families make ends meet, a most important factor in times of near recession.

However, I would like to address and dispel the arguments against a state EITC that I hear most often. The current administration has repeatedly stated that it isn't interested in giving tax refunds to people who don't pay taxes. That statement is not only false but demeaning as well. EITC filers often pay a disproportionate amount of their incomes on sales and property taxes. If they don't pay income tax it is because they are at the low end of the wage earning scale. That is why graduated income tax structures were instituted, so as not to penalize those who earn so little. That statement also insinuates that low wage workers are scheming or lazy, trying to avoid paying income tax. It is conceivable that a couple, working at or near minimum wage, could put in ninety hour work weeks between them and still earn less than \$40,000 a year. To make the argument that these folks are not deserving of an income tax break is repulsive.

Next is the argument that other programs exist to help low wage earners. While these programs are welcome and certainly helpful, they don't always give families, struggling to get out of poverty, the flexibility to lift themselves up. I liken these programs to giving someone a gift card as opposed to cash. While a one hundred dollar gift card to Macy's would certainly be appreciated, one hundred dollars in cash that could be used, say at Wal-Mart, would give someone the flexibility to get what they really need and the opportunity to stretch those precious dollars all the more. We need to how respect that low wage workers can make good, sound decisions when they spend their money.

Shouldn't our state government be investing in programs that give low income people the opportunity to rise above the poverty threshold? A state EITC is really an investment in its people. I feel that in terms of relief and economic stimulus a state EITC makes perfect sense. Please consider Bill number 163 and move it forward.

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