



# A CT EARNED INCOME TAX CREDIT: A GREAT ECONOMIC STIMULUS POLICY!

**A CT EITC Will Reward Hard Work, Strengthen Families, and Stimulate the Economy.** Low-wage earners – many who work two and three jobs - struggle to make ends meet. The tax relief they receive from a CT EITC will be spent right back in their local community.

**The Federal EITC Reduces Child Poverty** by nearly 25 percent. A CT EITC will build on the benefits of the federal EITC.

**The EITC Has a History of Bi-Partisan Support.** Enacted in 1975 under President Ford, the EITC is supported by Republicans and Democrats. President Reagan called the EITC “**the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.**” Twenty-three states and the District of Columbia have enacted EITCs under governors from both parties.

**A CT EITC Will Make Our State Tax System More Equitable.** In Connecticut, workers at the bottom earning less than \$26,000 paid *more than twice the tax rate* (income, sales, excise, property) than the top 1% of workers earning more than \$1.3 million. A CT EITC will provide tax relief for the state’s lowest earners.

**The EITC Stimulates the Local Economy.** In tax year 2009, 203,000 Connecticut households claimed the federal EITC, returning \$396 million to low-wage earners and the local economy. A CT EITC, pegged at 30% of the federal credit, will put \$108 million back to the state’s economy.

**A CT EITC Will Benefit Working Families Earning Up to \$49,000.** Families could use the CT EITC to pay off debt, finance transportation to work, invest in education, buy basic necessities, pay for health care, or save to build assets. Depending upon income, working families could receive the federal maximum credit of \$5,751 and a maximum state credit of \$1,700.

## Let’s Pass a CT EITC in the 2011 Session!

For information: Maggie Adair, Connecticut Association for Human Services  
860-951-2212, x 239, [madair@cahs.org](mailto:madair@cahs.org)