



Press release
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Rhode Island Military Families Rely on Working Family Tax Credits

[Providence, RI] – About 3,000 veteran and active-duty military families in Rhode Island receive the federal Earned Income Tax Credit (EITC) or the low-income component of the Child Tax Credit (CTC), according to a new report from the Washington, DC-based Center on Budget and Policy Priorities.

“Our troops and veterans have made incredible sacrifices to help keep us safe and it’s our duty to make sure they can provide for their families,” said Kate Brewster of The Economic Progress Institute. “Working family tax credits like the EITC and CTC are part of fulfilling that duty.”

Nationally, roughly 1.5 million military families, which include about 3 million children under age 18, received one or both of the credits. The credits make a major difference to their economic security:

- The EITC and CTC together keep more than 140,000 military families — with nearly 300,000 children and 600,000 total family members — from falling below the poverty line, based on the federal government’s Supplemental Poverty Measure, which counts income from tax credits.
- These credits reduce the severity of poverty for about another 800,000 members of military families.
- The credits also help working families with incomes modestly above the poverty line who still struggle with basic expenses like housing, school clothes, car repairs, and groceries.

The tax credits can also increase opportunity for children in military families. Recent rigorous research demonstrates that EITC receipt is linked to improved performance (including better test scores) by children in school — and to increased employment and earnings when the children reach adulthood.

Only people who are working can claim the credits, which were modestly expanded in recent years so they provide more help to more families. On average the credit amounts to \$1,000 per household from the low-income portion of the Child Tax Credit in 2011 and \$2,650 from the EITC.

“There’s a lot at stake for Rhode Island’s military families when it comes to the Earned Income Tax Credit and Child Tax Credit,” said Brewster. “We’re working very hard to make sure Congress protects our military families by protecting these tax credits in the months ahead... including improvements made in recent years that benefit so many families in our state.”

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The Center on Budget and Policy Priorities' full report, *Working-Family Tax Credits Help Over One Million Military Families* can be found at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3986>.