Increase Rhode Island’s Earned Income Tax Credit to 20% by 2020 (H5245/S272)

When we invest in working families, we invest in Rhode Island’s economy.

Did you know? 82,252 Rhode Island households filed for the Earned Income Tax Credit.*

Children in EITC households have:

- Better birth outcomes
- Higher educational attainment
- More earnings as adults

$461 Average boost to working families’ incomes with a 20% state EITC.

Impact of EITC on Rhode Island:*

- Annual federal EITC dollars: $189,883,252
- Annual EITC dollars from current state EITC at 15%: $28,482,488
- Annual EITC dollars from increasing state EITC to 20%: $37,976,650

Why raising the EITC works for Rhode Island’s economy:

- The EITC lets low-and moderate-income working families keep more of their earnings to help pay for things that help them keep working, such as child care and transportation.
- The EITC reduces the number of children living in poverty and improves kids’ chances of success as adults.
- By helping low-wage workers keep more of their incomes, the EITC increases consumer spending which then boosts local economies across the state.

*Amounts are for federal EITC in TY 2015, the most recent data available. State EITC numbers based on federal EITC.