

Increase Rhode Island's Earned Income Tax Credit to 20% (H5013)

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

Did you know? 81,480 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

\$456

Average boost to working families' incomes with a 20% state EITC.*

Impact of EITC on Rhode Island:*

Annual federal EITC dollars **\$185,722,000**

Annual EITC dollars from current state EITC at 15% **\$27,858,300**

Annual EITC dollars from increasing state EITC to 20% **\$37,144,400**

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.

*State-level and district-level EITC data are for Tax Year 2018 and are from the Program Participation Data Dashboard of the Center on Budget and Policy Priorities: https://apps.cbpp.org/program_participation/#table/1/eitc---claims-and-estimated-characteristics-of-eligible-filers

