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ITEP
INSTITUTE ON TAXATION AND ECONOMIC POLICY

STATE TAX CODES AS POVERTY FIGHTING TOOLS

2018 Update on Four Key Policies in All 50 States

AIDAN DAVIS
MISHA HILL

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INTRODUCTION

In the first complete year of data under the Trump administration, the 2017 Current Population Survey showed that poverty continued a three year trend of decline. The national poverty rate declined by only 0.4 percentage points from 2016 to 12.3 percent. Although the poverty rate declined very slightly the trend is flat from last year because, according to the U.S. Census, it was not a statistically significant change from 2016 estimates. Median household income also increased for the third consecutive year, but this was due to an increase in employment rather than an increase in wages—real median earnings for full-time workers actually declined from 2016 to 2017. And income gains have been largely concentrated among the wealthiest—while median income has finally recovered to the same level as before the Great Recession in 2007, the incomes of the richest 10 percent increased between 2007 and 2017 while those of the poorest 10 percent declined.[1] Health insurance rates did not increase for the first time in seven years, likely due to the Trump administration's attempts to dismantle the Affordable Care Act.[2] In 2017, 39.7 million Americans, including 12.8 million children, lived in poverty.[3] The poverty rates decreased a statistically significant amount in 19, held steady in one state—Vermont—and increased in nine states—the increase was only statistically significant in West Virginia and Florida.[4]

The Supplemental Poverty Measure (SPM) released alongside the official poverty measure, demonstrates that the tax code can be used as an effective poverty-fighting tool. The federal EITC and refundable portion of the Child Tax Credit, for example, together lifted 8.3 million people out of poverty decreasing the supplemental poverty rate from 16.5 to 13.9 percent.[5] This rate was unchanged from the previous year.

And, thanks in large part to those credits, the supplemental poverty rate for children is actually lower than their official poverty rate (15.6 percent compared to 17.3 percent).

Astonishingly, tax policies in virtually every state make it harder for those living in poverty to make ends meet. When all the taxes imposed by state

FIGURE 1

2018 Developments in State Anti-Poverty Tax Policy

Forward Steps Taken to Address Poverty

CALIFORNIA expanded EITC income eligibility to childless workers between 18 and 24, and over 65 (previously workers under 25 were only eligible if they had a dependent) and adjusted EITC income limits to reflect the state's minimum wage increase to ensure that those working full-time for minimum wage are eligible to receive the credit.

COLORADO increased the income eligibility for its Child and Dependent Care Credit to $150,000 and increased the percent of the federal credit that can be claimed to 80%.

The legislature in **DELAWARE** passed a bill that the governor is expected to sign that would change the state EITC from a nonrefundable credit of 20% of the federal credit to a refundable credit at 5.9% of the federal credit.

LOUISIANA increased its EITC from 3.5% to 5% of the federal credit.

MAINE increased the maximum Property Tax Fairness credit from $600 to $750 for non-elderly and from $900 to $1,200 for elderly taxpayers.

MARYLAND eliminated the minimum age requirement of 25 for its EITC for workers without dependents in the home.

MASSACHUSETTS increased its EITC from 23% to 30% of the federal credit.

NEW JERSEY will phase in an increase in its EITC from 35% to 40% of the federal credit by 2020, and created a targeted nonrefundable Child and Dependent Care Tax Credit modeled after the federal credit for families with incomes below $60,000.

VERMONT increased its EITC from 32% to 36% of the federal credit.

WISCONSIN approved a one-time child tax rebate of $100 per child.

Backward Steps Taken

CONNECTICUT reduced its refundable EITC from 30% to 23% of the federal credit.

Missed Opportunities (To Name a Few)

In **MISSOURI**, several versions of the state's tax bill included a 20 percent nonrefundable EITC that was ultimately not included.

MAINE lawmakers failed to pass a bill to double the EITC to 10 percent of the federal credit.

In **SOUTH CAROLINA**, lawmakers considered fully enacting the state's EITC in 2018 rather than on the current phased-in schedule, but the state opted to maintain its existing tax code and revisit these questions next year.

and local governments are taken into account, every state imposes higher effective tax rates on poor families than on the richest taxpayers.

Despite this unlevel playing field states create for their poorest residents through existing policies, many state policymakers have proposed (and in some cases enacted) tax increases on the poor under the guise of "tax reform," often to finance tax cuts for their wealthiest residents and profitable corporations.

State and local tax systems typically make things harder for families living in poverty. A 2015 ITEP report, **Who Pays? A Distributional Analysis of the Tax Systems in All 50 States**, found that the poorest 20 percent of Americans paid on average 10.9 percent of their incomes in state and local taxes. Middle-income taxpayers didn't fare much better, paying an average of 9.7 percent of their incomes toward those taxes. But when it comes to the wealthiest 1 percent, ITEP found they paid an average of just 7 percent of their incomes in state and local taxes.

Nearly every state and local tax system takes a much greater share of income from middle- and low-income families than from the wealthy. This "soak the poor" strategy from a budgeting perspective does not yield much revenue compared to modest taxes on the rich. It also pushes low-income families further into poverty and increases the likelihood that they will need to rely on safety net programs.

There is a better approach. Just as state and local tax policies can push individuals and families further into poverty, there are tax policy tools available that can help them move out of poverty. In most states, a true remedy to improve state tax fairness would require comprehensive tax reform. Short of this, lawmakers should use their states' tax systems as a means of providing affordable, effective and targeted assistance to people living in or close to poverty in their states. Through the use of tax policy tools, state lawmakers can take steps to improve the standard of living for low-income residents. Similar to the way in which the Supplemental Nutrition Assistance Program (SNAP) helps families put food on the table, thoughtful changes to state tax codes can help struggling families pay for necessities.

This report presents a comprehensive overview of anti-poverty tax policies, surveys tax policy decisions made in the states in 2018, and offers recommendations that every state should consider to help families rise out of poverty. States can jumpstart their anti-poverty efforts by enacting one or more of four proven and effective tax strategies to reduce the share of taxes paid by low- and moderate-income families: state Earned Income Tax Credits, property tax circuit breakers, targeted low-income credits, and child-related tax credits.

RELATED REPORT >> *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*

REFUNDABLE EARNED INCOME TAX CREDITS

The federal Earned Income Tax Credit (EITC) is widely recognized as an effective anti-poverty strategy. It was introduced in 1975 to provide targeted tax reductions to low-income workers and also to reward work and increase incomes.

The federal EITC is administered through the personal income tax. To encourage greater participation in the workforce, the EITC is based on earned income, such as salaries and wages. For example, for each dollar earned up to $14,040 in 2018, families with three or more children will receive a tax credit equal to 45 percent of those earnings, up to a maximum credit of $6,431. Because the credit is designed to provide tax relief to the working poor, there are income limits that restrict eligibility for the credit. Families continue to be eligible for the maximum credit until income reaches $18,340 for single heads of household. Above this income level, the value of the credit is gradually reduced to zero and is unavailable when family income exceeds the maximum eligibility level. The credit is entirely unavailable to families with three or more children earning more than $49,194 if the head of household is single and $54,884 if married. For taxpayers without children, the credit is much less generous: the maximum credit is $519 and single filers earning more than $15,270 (or $20,950 for married couples without children) are ineligible.

To date, nearly two-thirds of the states (29 states and the District of Columbia—see Appendix A) offer state Earned Income Tax Credits based on the federal EITC. All of the states except Minnesota allow taxpayers to calculate their EITC as a percentage of the federal credit (Minnesota's credit is structured as a percentage of income rather than a percent of federal credit). This approach makes the credit easy for state taxpayers to claim (since they have already calculated the amount of their federal credit) and straightforward for state tax administrators. However, states vary dramatically in the generosity of their credits. The EITC provided by the District of Columbia, for example, amounts to 40 percent of the federal credit (100 percent for workers without dependents in the home), while six states have credits that are worth less than 10 percent of the federal credit. Six states (Delaware, Hawaii, Ohio, Oklahoma, South Carolina and Virginia) allow only a non-refundable credit, limiting the ability of the credit to offset regressive state and local taxes.

In 2013, North Carolina became the first state to allow their EITC to expire. 2015, on the other hand, marked the beginning of a three-year trend of states and the federal government embracing new EITCs and improvements to existing credits. The federal government made EITC expansion provisions under the American Recovery and Reinvestment Act (ARRA) permanent for families with three or more qualifying children. California enacted a new refundable EITC targeted to families living in deep poverty. Massachusetts, New Jersey, and Rhode Island lawmakers boosted the value of their state credits and Maine lawmakers converted the state's non-refundable EITC to a fully refundable credit. 2017 saw the addition of EITCs in Hawaii, Montana and South Carolina. Montana enacted a refundable credit at 3 percent of the federal credit. Hawaii's non-refundable credit, which is set to expire at the end of tax year 2022, is set at 20 percent of the federal credit. South Carolina's non-refundable credit is set to 125 percent of the federal credit, but because of the way the South Carolina credit is constructed much less of the credit will be taken up.

Louisiana, Massachusetts, New Jersey and Vermont all increased the size of their EITCs in 2018. Louisiana upped its state's EITC from 3.5 percent to 5 percent of the federal credit for tax years 2019 through 2025. Massachusetts increased its EITC from 23 percent to 30 percent of the federal credit, up from 15 percent in 2015. In New Jersey, lawmakers enacted an EITC increase from 35 percent to 40 percent of the federal credit to be phased in by 2020. And lawmakers in Vermont increased their EITC, currently at 32 percent of the federal credit, to 36 percent.

There have also been some recent efforts to expand the EITC for workers without children. While the federal EITC provides a great deal of help for families with children, its impact is quite limited for those without children; the maximum credit is much smaller, and the income limits are more restrictive. For instance, under current law, a worker without dependent children in the home who is working full-time at the federal minimum wage is ineligible for the EITC. Yet, if the same worker had children they would receive the maximum EITC. Under the current system, these low-wage workers continue to be taxed deeper into poverty.

Refundability is Key

Refundability is especially important in ensuring that deserving families get the full benefit of the state EITC. Refundable credits do not depend on the amount of income taxes paid: if the credit amount exceeds your income tax liability, the excess amount is given as a refund. Thus, refundable credits are useful in offsetting the regressive nature of sales and property taxes and can provide a much needed income boost to help families pay for basic necessities. In 2017, all but four states (Delaware, Ohio, Oklahoma, and Virginia) with EITCs offer a fully refundable credit, meaning that low-income families earning too little to owe state income taxes are ineligible for the credit. Delaware legislators passed a bill that would change the state's nonrefundable 20 percent credit to a refundable 5.9 percent credit. The shift will benefit the state's lowest income workers and their families, those who earn too little owe state income taxes, but to date it has not been signed by the governor.

Expanding Benefits for Workers Without Children

State EITCs generate bipartisan support because they are easily administered and relatively inexpensive. However, EITCs are most generous to families with children. Policymakers should be aware that because the EITC was designed to specifically help families with children it does little to benefit seniors and low-income individuals without children. There are other tax provisions offered by states, like enhanced personal exemptions or standard deductions, that are available to elderly taxpayers. But for millions of low-income workers without dependents in the home, federal and state taxes force them into or deeper into poverty.[6] This subset of the population includes: working parents who do not live under the same roof as their kids, but want to provide for them; veterans and members of the military; and young workers just starting out whose low wages barely cover the cost of food and rent. The EITC itself can be modified to reach these otherwise excluded groups.

Policymakers in Washington, D.C., for example, enhanced the District's EITC for workers without children in 2014, increasing eligibility thresholds and expanding the credit to 100 percent of federal. And more recently both California and Maryland

joined the District in their expansion of the EITC to younger workers. In 2018, California eliminated the age requirement for its EITC for workers without dependents in the home. This action expanded the EITC to young workers between 18 and 24, and workers over 65. California also adjusted its state-level EITC income limits to reflect the state's minimum wage increase to ensure that those working full-time for minimum wage are eligible to receive the credit. Maryland legislators also removed the state EITC's minimum age requirement by using some of the revenue gained from the federal tax cut.

Ohio Senator Sherrod Brown has proposed a similar policy at the federal level, and there are now multiple bills pending in Congress and a handful of states to implement such a change. These recent developments reinforce the importance of linking state EITC eligibility rules to the federal program, so that any federal expansions are immediately passed on to the states.

2018 EITC Developments in the States

- **California** expanded EITC income eligibility to childless workers between 18 and 24, and over 65 (previously workers under 25 were only eligible if they had a dependent) and adjusted EITC income limits to reflect the state's minimum wage increase to ensure that those working full-time for minimum wage are eligible to receive the credit
- **Louisiana** increased its EITC from 3.5% to 5% of the federal credit
- **Maryland** eliminated the minimum age requirement of 25 for its EITC for workers without dependents in the home
- **Massachusetts** increased its EITC from 23% to 30% of the federal credit
- **New Jersey** will phase in an increase in its EITC from 35% to 40% of the federal credit by 2020

RECOMMENDATION: *To help alleviate poverty, lawmakers and advocates in states with EITCs should consider increasing the percentage of the existing credit, making the credits fully refundable, and improving the benefits for workers without children. Those in states without a credit should consider introducing a generous and refundable EITC tied to the federal credit.*

For more information, see ITEP brief, **"Rewarding Work Through State Earned Income Tax Credits in 2018."**

FIGURE 2

IMPORTANCE OF REFUNDABILITY

The hallmark of a truly effective low-income credit is that it is refundable. This means that if the amount of the credit exceeds the amount of personal income tax you would otherwise owe, you actually get money back. Refundability is a vital feature in low-income credits because for most fixed-income families, sales and property taxes take a much bigger bite out of their wallets than the personal income tax does. Refundable credits on income tax forms are the most cost-effective mechanism for partially offsetting the effects of regressive consumption taxes on low-income families. The recent trend to make credits nonrefundable as a measure of budgetary savings is misguided and ill-advised.

PROPERTY TAX CIRCUIT BREAKER FOR HOMEOWNERS & RENTERS

States employ a wide variety of mechanisms to reduce the amount of property taxes that low- and moderate-income families pay, though they vary significantly in effectiveness. A property tax circuit breaker is the only property tax reduction program explicitly designed to reduce the property tax burden on those low-income taxpayers hit hardest by the tax. Its name reflects its design: circuit breakers protect low-income residents from a property tax "overload", just like electric circuit breakers prevent electricity surges in our homes. When a property tax bill exceeds a certain percentage of a taxpayer's income, the circuit breaker offsets property taxes in excess of this "overload" level.

Fifteen states and DC offer property tax circuit breaker programs in 2017 that target tax reductions to low-income families who also owe significant property taxes relative to their incomes. Another 15 states provide property tax credits to some low-income families through credits based on income. By cutting off eligibility based on income, these credits do not include a provision requiring property taxes to exceed a set percentage of income to qualify for the credit (see Appendix B).

The most effective and targeted property tax credits are circuit breaker programs made available to all low-income taxpayers, regardless of age, that are also extended to renters. Because it is generally understood that renters pay property taxes indirectly in the form of higher rents, many states now extend their circuit breaker credit to renters as well. The calculation is typically the same as the one used for homeowners, with the exception that renters must assume that their property tax bill is equal to some percentage of their rent. Renters in Maryland for instance, use 15 percent of their rent as their assumed property tax in calculating their circuit breaker credit. For a circuit breaker program to be successful, an effective outreach campaign is necessary.

RECOMMENDATION: State lawmakers and advocates interested in reducing the property taxes paid by low-income homeowners and renters should consider introducing a robust circuit breaker program. States with circuit breaker programs only available to older adults or homeowners should consider expanding the program to low-income homeowners and renters of all ages.

For more information, see ITEP brief, **"Property Tax Circuit Breakers in 2018."**

FIGURE 3

STATES WITH GREATEST NEED FOR IMPROVEMENT

Every state could stand to improve its tax policies toward low- and moderate- income families. However, some states have a need to consider the reforms outlined in this report. The chart to the right shows the 10 states with the highest state and local taxes on the poor as a share of income according to stronger ITEP's 2015 Who Pays? report. Washington State, which does not have an income tax, is the highest-tax state in the country for poor people. In fact, when all state and local sales, excise, and property taxes are tallied up, Washington's poor families pay 16.8 percent of their total income in state and local taxes. Compare that to neighboring Idaho and Oregon, where the poor pay 8.5 percent and 8.1 percent, respectively, of their incomes in state and local taxes—far less than in Washington. Hawaii, which relies heavily on consumption taxes, ranks second in its taxes on the poor, at 13.4 percent. Illinois—a state with a flat income tax rate—taxes its poor families at a rate of 13.2 percent, ranking third in this dubious distinction.

Top 10 States with the Highest Taxes on the Poor

State	% of Income Bottom 20% pay in State & Local Taxes
Washington	16.8%
Hawaii	13.4%
Illinois	13.2%
Florida	12.9%
Rhode Island	12.5%
Arizona	12.5%
Texas	12.5%
Indiana	12.0%
Pennsylvania	12.0%
Arkansas	11.9%

TARGETED LOW-INCOME TAX CREDITS

Because the Earned Income Tax Credit is targeted to low-income working families with children, it typically offers little or no benefits to older adults and workers without children. Thus, refundable low-income credits are a good complementary policy to state EITCs (see Appendix C).

Eleven states offer targeted income tax credits to reduce (or zero out) low-income families' personal income tax contributions. For example, Ohio offers a nonrefundable credit that ensures that families with incomes less than $10,000 aren't subject to the income tax. Kentucky offers a nonrefundable credit based on family size to ensure that families at or below the poverty level aren't subject to state income taxes. Making these targeted low-income credits refundable would increase their effectiveness for low-income families.

Seven states offer an income tax credit to help offset the sales and excise taxes that low-income families pay. Some of the credits are specifically intended to offset the impact of sales taxes on groceries. These credits are normally a flat dollar amount for each family member, and are available only to taxpayers with income below a certain threshold. They are usually administered on state income tax forms, and are refundable—meaning that the full credit is given even if it exceeds the amount of income tax a claimant owes.

Refundability is crucial because it allows low-income credits to be used by taxpayers who have little or no income tax liability but pay a substantial amount of their income in sales taxes. For example, Idaho offers a refundable credit for each Idahoan and their dependents to offset grocery taxes even if taxpayers are not subject to the income tax. Kansas lawmakers eliminated their state's refundable grocery tax credit in 2012 but enacted a new, less-effective nonrefundable credit in 2013.

RECOMMENDATION: State lawmakers and advocates committed to making sure taxes don't push families further into poverty should create refundable, targeted low-income credits especially to help offset regressive sales and excise taxes. In states where these credits already exist, lawmakers should act to enhance them, such as by making them refundable.

For more information, see ITEP brief, **"Options for a Less Regressive Sales Tax in 2018."**

FIGURE 4

STATES PRAISED AS "LOW-TAX" STATES ARE OFTEN HIGH TAX STATES FOR FAMILIES LIVING IN POVERTY

Annual state and local data from the Census Bureau are often used to rank states as "low" or "high" tax states based on taxes collected as a share of state personal income. But focusing on a state's overall tax revenues overlooks the fact that taxpayers experience tax systems very differently. In particular, the poorest 20 percent of taxpayers pay a greater share of their income in state and local taxes than any other income group in all but 15 states. And, in every state, low- and moderate-income taxpayers pay significantly more as a share of income than the top 1 percent of taxpayers. The District of Columbia is the only tax system where the poorest residents pay the least as a share if income compared to other residents across the income spectrum.

No income-tax states like Washington, Texas, and Florida do, in fact, have average to low taxes overall. But, they cannot be considered "low-tax" states for poor families. Far from it. In fact, these states' disproportionate reliance on sales and excise taxes make their taxes among the highest in the nation on low-income families. The bottom line is that many so-called "low-tax" states are high-tax states for the poor, and most do not offer a good deal to middle-income families either. Only the wealthy in such states pay relatively little.

CHILD-RELATED TAX CREDITS

Child Tax Credits: Federal income tax law allows taxpayers to claim a $1,000 income tax credit for each dependent child under 17 years of age. The credit amount is gradually phased out for high-income families. A portion of the child tax credit is refundable for low-income families.

Six states currently offer a much smaller version of the child tax credit for qualifying families (Appendix D). Idaho and Wisconsin increased or established a child tax credit in 2018. The Colorado legislature previously passed a refundable, income-limited credit for families with children under six years old, but it is currently not funded. The law passed with the intent of funding the credit with revenue from internet sales collection once it became legal. Thanks to the US Supreme Court ruling in Wayfair v. South Dakota, states can oblige on retailers to collect and remit sales taxes. Colorado lawmakers will still have to pass additional legislation to fully fund and implement the credit.

Child and Dependent Care Credits: The average cost of full-time child care can range from $3,000 to $17,000 per year depending on the age of the child and location of the family. Low- and middle-income working parents spend an increasingly significant portion of their income on child care. Families in poverty contribute over 30 percent of their income to child care compared to about 6 percent for families at or above 200 percent of poverty. Most families with children need one or more incomes to make ends meet which means child care expenses are an increasingly unavoidable and unaffordable expense.

The federal government allows a nonrefundable income tax credit to help offset child care expenses. In 2017, single working parents (and two-earner married couples) with children 12 years of age or younger can claim a credit to partially offset up to $6,000 of child care expenses; low-income taxpayers can receive a credit of up to 35 percent of these expenses. The credit percentage gradually falls for higher-income taxpayers. This “sliding scale” approach helps to target tax relief somewhat more effectively to low-income taxpayers, but making the credit refundable would help those parents and children most in need.

Nearly half of the states offer some form of state income tax break for families with dependent care expenses. Of those, the majority (23 states including the District of Columbia—see Appendix D) model their state credit after the federal credit. For example, Georgia allows taxpayers to take 30 percent of their federal child and dependent care credit as a nonrefundable child care credit. Nebraska takes a slightly different approach, offering both a refundable and a nonrefundable credit depending on a family’s income. The refundable child care credit is calculated as 100 percent of the federal credit for low-income filers with incomes under $22,000. Higher earners can claim a nonrefundable credit, equal to 25 percent of the federal credit once income levels reach $29,000. This approach targets the benefits of the Nebraska credit much more efficiently to low- and middle-income parents than does the federal credit.

2018 Child-Related Tax Credit Developments

- **COLORADO** increased the income eligibility for its Child and Dependent Care Credit to $150,000 and increased the percent of the federal credit that can be claimed to 80%; and funded the previously passed refundable Child Tax Credit with expected revenue from online sales tax collection.
- **IDAHO** increased its Child Tax Credit from $130 to $205 per child.
- **WISCONSIN** approved a one-time child tax rebate of $100 per child.

RECOMMENDATION: State lawmakers and advocates who want to help low-income families with children should consider increasing the value of existing child credits, making them refundable, or introducing a new refundable per child credit. Lawmakers and advocates interested in targeting child and dependent care credits to help families most in need would do well to make their credits refundable and make the credit available only to families with limited incomes.

For more information, see ITEP brief, "Reducing the Cost of Child Care Through State Tax Codes in 2018."

IMPLEMENTATION: A VITAL STEP

The tax policies described in this report are key to helping lift families out of poverty, but simply offering these credits is not sufficient. In order to ensure that as many eligible families benefit from these anti-poverty policies as possible, lawmakers should consider how to make the credits more accessible.

A simple design, such as linking a credit to an already established credit (as is the case with state EITCs) is a good place to start. Allowing taxpayers to claim credits on their personal income tax forms (as opposed to filling out a separate form or application at a different time of the year) also increases the likelihood that eligible taxpayers will take advantage of the credits.

Furthermore, policymakers, advocacy groups, and the media must work together to ensure that an effective outreach effort is established and adequately funded so that taxpayers are informed about these credits. Outreach programs should be frequently evaluated to improve the effective reach of the tax credits offered.

FIGURE 5

WHICH STATES GET IT (CLOSE TO) RIGHT?

The most noticeable features of states with the least regressive tax systems are a highly progressive income tax including targeted tax credits and a lesser reliance on sales and excise taxes. For example:

- **VERMONT'S** tax system is among the least regressive in the nation because it has a highly progressive income tax and low sales and excise taxes. Vermont's tax system is also made more fair by the size of the state's refundable Earned Income Tax Credit (EITC)—32 percent of the federal credit—and a generous property tax circuit breaker credit.
- **DELAWARE'S** income tax is not very progressive, but its high reliance on income taxes and low dependence of consumption taxes results in a tax system that is only slightly regressive overall. Similarly, Oregon has a high reliance on income taxes and very low use of consumption taxes. Both states also offer a state EITC.
- **NEW YORK** and the **DISTRICT OF COLUMBIA** each achieve a close-to-flat tax system overall through the use of generous refundable EITC's and an income tax with relatively high top rates and limits on tax breaks for upper-income taxpayers. A recent tax reform bill in DC lowered the income tax rate for middle-income earners, increased the standard deduction and personal exemption allowed, and expanded the EITC for childless workers. New York also provides a refundable Child Tax Credit based on the federal program, and both states vide property tax circuit breaker credits.

It should be noted that even the least regressive states generally fail to meet what most would consider minimal standards of tax fairness. In each of these states, at least some low- or middle-income groups pay more of their income in state and local taxes than the wealthiest families must pay.

SUMMARY OF RECOMMENDATIONS

- State lawmakers and advocates in states with EITCs should consider increasing the percentage of the existing credit, making the credits fully refundable, and improving the benefit for workers without children. Those in states without a credit should consider introducing a generous and refundable EITC tied to the federal credit.
- State lawmakers and advocates interested in reducing the property taxes paid by low-income homeowners and renters should consider introducing a robust circuit breaker program. States with circuit breaker programs only available to older adults or homeowners should consider expanding the program to low-income homeowners and renters of all ages.
- State lawmakers and advocates committed to making sure taxes don't push families further into poverty should create refundable, targeted low-income credits to help offset regressive sales and excise taxes. In states where these credits already exist, lawmakers should act to enhance them, such as by making them refundable.
- State lawmakers and advocates who want to help low-income families with children should consider increasing the value of existing child credits, making them refundable, or introducing a new refundable per-child credit. Lawmakers and advocates interested in targeting child and dependent care credits to help families most in need would do well to make their credits refundable and available only to families with limited incomes.

CONCLUSION

Many American families continue to live in poverty, struggling to get by, and many state tax systems across the country do too little to offer the assistance low-income families need. In fact, regressive state tax structures can push working families and individuals even deeper into poverty. State lawmakers have a responsibility to ensure that their state's tax code does not exacerbate this crisis and should consider using the low-income tax credits outlined in this paper as means of mitigating poverty in their states. Refundable tax credits are effective, time-tested anti-poverty solutions that provide additional income to help families pay for food, housing, transportation, and other necessities. The reforms discussed in this paper are among the most cost-effective anti-poverty strategies available to state lawmakers.

ENDNOTES

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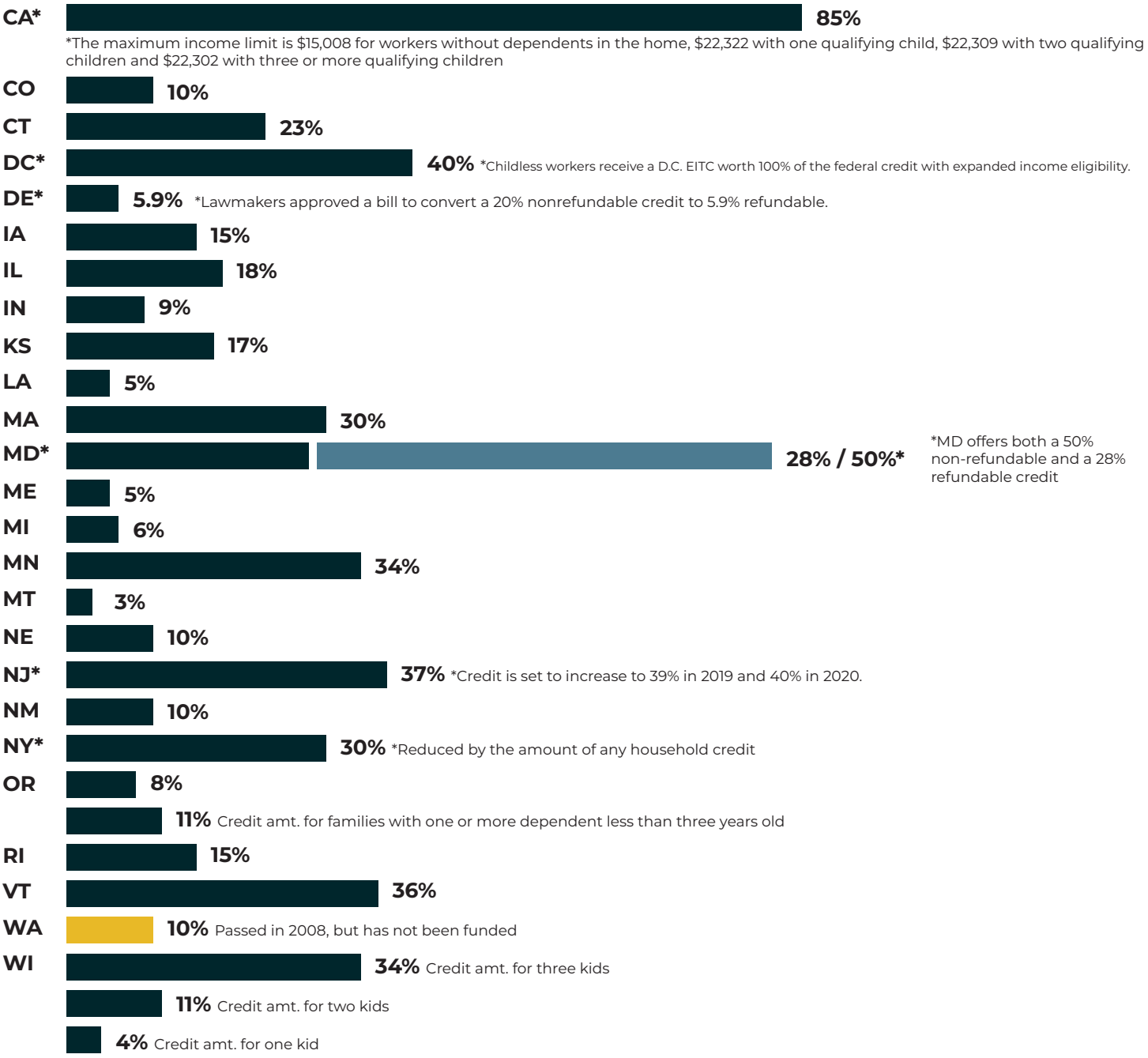
APPENDIX A

State Earned Income Tax Credits in 2018

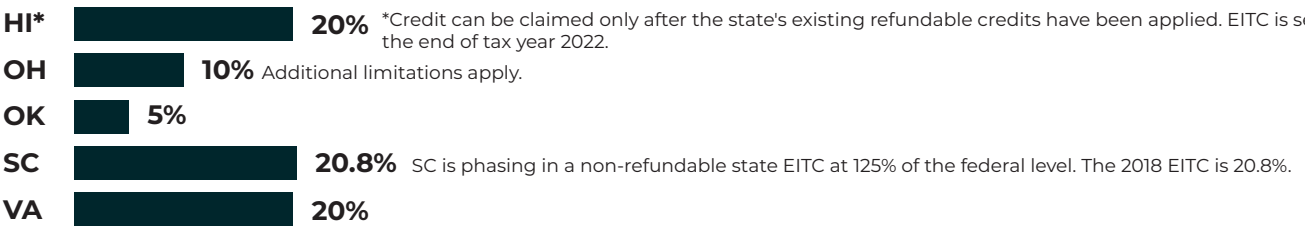
REFUNDABLE CREDITS

Refundable credits are one of the most effective and targeted tax reduction strategies. Taxpayers receive a refund for the portion of the credit that exceeds their income tax bill, offsetting some of the regressive effects of state and local sales, excise, and property taxes.



NON-REFUNDABLE CREDITS

Non-refundable credits limit the usefulness of the EITC to low-income families. Taxpayers earning too little to owe state income tax will receive no benefit from the credit, despite the upside-down nature of state and local tax systems.



Note: Washington's credit was passed in 2008, but has not yet been funded. Indiana's credit is not tied to the federal expansions made permanent in 2015; Minnesota and Ohio's credits are dependent on additional income criteria; Wisconsin's credit is dependent on family size.

APPENDIX B

State Property Tax Credit Programs in 2018

State	Age Requirements	Covers Renters?	Approach
AZ	65+, Receiving SSI Income	YES	Income based only
CO	65+, Surviving Spouse 58+, Disabled	YES	Income based only
CT	65+, Surviving Spouse 50+, Disabled	NO	Income based only
DC	All Ages; Separate Program for Elderly and Disabled	YES	Circuit Breaker
HI	All Ages	Renters only	Income based only
IA	65+, Disabled	YES	Income based only
ID	65+, Surviving Spouse, Disabled, Former POW, Disabled Veteran, Orphaned Minor	NO	Income based only
KS	55+, Disabled, Guardian of dependent child under 18	NO	Income based only
MA	65+	YES	Circuit Breaker
ME	All Ages; Sep. Elderly Program	YES	Circuit Breaker
MD	All Ages	YES	Circuit Breaker
MI	All Ages; Sep. Elderly Program	YES	Circuit Breaker
MN	All Ages	YES	Circuit Breaker
MT	All Ages	YES, 62+ only	Circuit Breaker
MO	65+, Disabled	YES	Circuit Breaker
NH	All Ages	NO	Income based only
NJ	All Ages	YES	Deduction or Credit
NM	65+	YES	Circuit Breaker
NY	All Ages	YES	Income based only
ND	65+, Disabled	YES	Circuit Breaker for Renters
OK	65+, Disabled	NO	Circuit Breaker
OR	58+	Renters only	Circuit Breaker
PA	65+, Surviving Spouse 50+, Disabled	YES	Income based only
RI	65+, Disabled	YES	Circuit Breaker
SD	65+, Disabled	NO	Income based only
UT	65+	YES	Circuit Breaker
VT	All Ages	YES	Circuit Breaker
WI	All Ages	YES	Circuit Breaker
WV	All Ages	NO	Circuit Breaker
WY	All Ages; Sep Elderly Program	NO	Income based only

APPENDIX C

State Low-Income Tax Credits in 2018

Credits Designed to Reduce Personal Income Taxes	
State	**Description of Credit**
AZ	Nonrefundable "Family Tax Credit" available to low-income taxpayers; eligibility varies with family size and structure
GA	Nonrefundable "Low Income Credit" available if FAGI is less than $20,000
IN	Refundable "Unified Tax Credit for the Elderly" available if FAGI is less than $10,000 and one or more household members are age 65 or older
KY	Nonrefundable "Family Size Credit" based on family size and "modified" gross income
MD	Nonrefundable “State Poverty Level Credit” equal to 5% of earned income is available to low-income taxpayers; eligibility varies with family size and structure
NY	Nonrefundable "Household Credit" available if FAGI is less than $28,000 for single filers and $32,000 for others
OH	Nonrefundable credit to ensure that families with Ohio AGI under $10,000 don't pay any income tax
PA	Nonrefundable Tax Forgiveness credit that allows eligible taxpayers to reduce all or part of their state income tax liability
VA	Nonrefundable "Tax Credit for Low-Income Individuals" that can be taken in lieu of the EITC; eligibility varies with family size and structure
WI	Nonrefundable "working families tax credit" is available if Wisconsin income is less than $19,000 for married filers ($10,000 for other filers)
WV	Nonrefundable "Family Tax Credit" available to low-income taxpayers; eligibility varies with family size and structure

Credits Designed to Offset Sales Tax/Taxes on Food	
State	**Description of Credit**
AZ	Refundable "Increased Excise Tax Credit" for low-income taxpayers of all ages
HI	"Refundable Food/Excise Tax Credit" for taxpayers with FAGI below $50,000. In 2016, eligibility changed for single taxpayers to $30,000 FAGI
ID	Refundable "Grocery Credit" to all families regardless of income. The credit is $100 per family member. Elderly taxpayers receive an extra $10 per filer
KS	Targeted, nonrefundable food sales tax credit to families with income below $30,615 with at least one dependent or who are over 55 years of age; the maximum credit is $125 per exemption
ME	Targeted, refundable Sales Tax Fairness Credit to low- and middle-income families dependent on family size and income; the maximum credit is $225
NM	Refundable "Low Income Comprehensive Tax Rebate" for all low-income taxpayers
OK	Refundable "Credit/Refund of Sales Tax" for low-income taxpayers of all ages

APPENDIX D

State Dependent Care Credits and State Child Credits in 2018

State	Description of Credit
AR	Nonrefundable 20% of federal credit; Refundable 20% of federal credit for children under 6
CA	Capped nonrefundable credit; percent of credit varies on FAGI; limited to taxpayers with income under $100K
CO	Capped refundable credit; percent of credit varies on FAGI; limited to taxpayers with income under $150K
DC	Capped nonrefundable 32% of federal credit
DE	Nonrefundable 50% of federal credit
GA	Capped nonrefundable 30% of federal credit
HI	Capped refundable credit; percent of credit varies on state AGI
IA	Capped refundable credit; percent of credit varies on state net income; limited to taxpayers with income under $45K
KY	Capped nonrefundable 20% of federal credit
LA	Refundable credit for taxpayers with incomes below $25K; nonrefundable credit for all other taxpayers; percent of credit varies on FAGI
MD	Nonrefundable credit; percent of credit varies on FAGI
ME	Refundable 25% of federal credit up to $500; nonrefundable 25% of federal credit over $500; percentage varies on service provider
MN	Capped refundable credit; limited to taxpayers with income under $39,400
NE	Refundable for taxpayers with income under $29K; nonrefundable for taxpayers with income over $29K; percentage of credit varies on FAGI
NJ	Capped nonrefundable credit; limited to taxpayers with income under $60K
NM	Capped refundable 40% of federal credit; limited to taxpayers with income under $31,160
NY	Refundable credit; percent varies on state AGI
OH	Capped nonrefundable credit; percent of credit varies on state AGI; limited to taxpayers with income under $40K
OK	Offers choice of greater between nonrefundable 5% of federal child tax credit and nonrefundable 20% of federal CDCTC
OR	Capped refundable credit; percent of credit varies on greater between state AGI and FAGI, age and disability of dependents; limited to taxpayers with income below 300% of federal poverty
RI	Nonrefundable 25% of federal credit
SC	Refundable 7% of federal credit
VT	Refundable 50% of federal credit for filers with incomes below $30K if single $40K if married; nonrefundable 24% of federal credit for all other filers

Notes: ID, MA, MT and VA offer deductions for child and dependent care expenses

State Child Credits

State	Description of Credit
CA	Refundable income-limited Dependent Exemption Credit ($353/dependent) higher than state's Personal Exemption Credit ($114/filer)
CO	Refundable credit for children under age 6; limited to FAGI under $60,000; credit ranges from 5 to 30% of federal credit based in FAGI Note: Colorado's credit passed in 2013, but the legislation tied funding to federal and state online sales tax legislation. The US Supreme Court ruled in favor of marketplace fairness in 2018, but the Colorado legislature has, to date, not funded the credit.
ID	Nonrefundable $205 credit
OK	Offers choice of greater between nonrefundable 5% of federal child tax credit and nonrefundable 20% of federal CDCTC
NY	Refundable credit of the greater of $100 per qualifying child or 33% of the taxpayer's allowed federal credit
NC	Nonrefundable income-limited $100 per child tax credit ($125 for filers with income under $40,000)
WI	One time $100 child tax rebate in 2018

APPENDIX E

Alabama

2017 Poverty Rate = 12.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,100	$41,900	$955,600
Taxes as a Share of Income	**9.9%**	**9.0%**	**5.0%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Alaska

2017 Poverty Rate = 14.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$15,400	$53,000	$1,103,400
Taxes as a Share of Income	**7.0%**	**4.3%**	**2.5%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Arizona

2017 Poverty Rate = 11.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,900	$43,200	$1,124,700
Taxes as a Share of Income	**13.0%**	**9.4%**	**5.9%**

Anti-Poverty Tax Policies Offered

> Low-Income property tax credit (For Homeowners and Renters, 65+ or Disabled)

> Low-income, nonrefundable "Family Tax Credit" (all ages)

> Low-incom refundable "Excise Tax Credit" (all ages)

Anti-Poverty Tax Policies to Consider

> Make true circuit breaker credit and expand to include Homeowners and Renters of All Ages; Raise Maximum Benefits

> Enhance Low-Income Credits

> Introduce a Refundable Earned Income Tax Credit

> Create a Child-related Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Arkansas

2017 Poverty Rate = 17.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,200	$38,700	$1,129,400
Taxes as a Share of Income	**11.3%**	**10.8%**	**6.9%**

Anti-Poverty Tax Policies Offered

> Child and Dependent Care Credit offered modeled after the federal credit; Refundable for children under age 6

> Offers low income alternative tax table

Anti-Poverty Tax Policies to Consider

> Make Child and Dependent Care Credit Fully Refundable; Increase maximum benefits

> Create a Refundable Low-Income Credit

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

California

2017 Poverty Rate = 11.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,300	$49,200	$2,158,300
Taxes as a Share of Income	**10.5%**	**8.3%**	**12.4%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 85% of the federal credit targeted to working families and individuals with very low earnings

> Low-income renters credit (62+)

> Refundable income-limited Dependent Exemption Credit higher than state's Personal Exemption Credit

> Nonrefundable income limited Child and Dependent Care Credit modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Make true circuit breaker credit and expand to include homeowners and renters of all ages; increase maximum credit

> Create a refundable low-income credit

> Make Child and Dependent Care Credit fully refundable

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Colorado

2017 Poverty Rate = 14.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,800	$53,300	$1,503,300
Taxes as a Share of Income	**8.7%**	**8.9%**	**6.5%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10%

> Low-Income Quasi-Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

> Refundable income-limited Child and Dependent Care Credit offered modeled after the federal credit

> Refundable income-limited Child Tax Credit for children under age 6 offered modeled after the federal credit (Unfunded)

Anti-Poverty Tax Policies to Consider

> Fully Fund the Earned Income Credit

> Make true circuit breaker credit and expand to include homeowners and renters of all ages; increase maximum credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Connecticut

2017 Poverty Rate = 10.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,600	$60,700	$3,146,700
Taxes as a Share of Income	**11.5%**	**12.2%**	**8.1%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 23% of federal credit

> Low-Income Quasi-circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider

> Restore state Earned Income Tax Credit to at least 30% of the federal credit

> Make true circuit breaker credit and expand to include homeowners and renters of all ages

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Delaware

2017 Poverty Rate = 13.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$46,900	$1,028,700
Taxes as a Share of Income	**6.3%**	**9.8%**	**9.5%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Earned Income Tax Credit at 20% of federal credit

> Nonrefundable Child and Dependent Care Credit modeled after federal credit

Anti-Poverty Tax Policies to Consider

> Make Earned Income Tax Credit Refundable and Increase Percentage

> Make Child and Dependent Care Credit Refundable and Increase Maximum Benefits

> Create a Low-Income Property Tax Circuit Breaker

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

District of Columbia

2017 Poverty Rate = 19.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,800	$55,300	$2,264,800
Taxes as a Share of Income	**5.5%**	**5.6%**	**6.5%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 40% of federal credit; Expanded EITC at 100% of federal credit for workers without dependents in the home; Enhanced EITC eligibility for certain non-custodial parents

> Low-Income Circuit Breaker (For Homeowners and Renters, All Ages)

> Non-refundable Child and Dependent Care Credit at 32% of the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Enhance Circuit Breaker Program

> Make Child and Dependent Care Credit Refundable and Increase maximum benefits

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Florida

2017 Poverty Rate = 14.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,500	$38,800	$2,340,500
Taxes as a Share of Income	**12.7%**	**8.1%**	**2.3%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Georgia

2017 Poverty Rate = 14.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,700	$41,200	$1,161,100
Taxes as a Share of Income	**10.7%**	**9.8%**	**7.0%**

Anti-Poverty Tax Policies Offered

> Nonrefundable, all ages, Low-Income Credit offered

> Nonrefundable Child and Dependent Care Credit offered at 30% of the federal credit

Anti-Poverty Tax Policies to Consider

> Make Low-Income Credit Refundable and increase amount of credit

> Make Child and Dependent Care Credit Refundable and Limit to Low-Income Families

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Hawaii

2017 Poverty Rate = 12.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,200	$45,000	$984,200
Taxes as a Share of Income	**15.0%**	**11.6%**	**8.9%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Earned Income Tax Credit at 20% of the federal credit

> Refundable income-limited credit for renters (all ages)

> Refundable Child and Dependent Care Credit

> Refundable low-income credit offered to assist in offsetting grocery and excise taxes (all ages)

Anti-Poverty Tax Policies to Consider

> Make Earned Income Tax Credit refundable

> Create a low-income circuit breaker for homeowners

> Limit Child and Dependent Care Credit to low-income families and increase maximum credit

> Enhance existing low-income credits

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Idaho

2017 Poverty Rate = 13.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,300	$43,900	$1,037,500
Taxes as a Share of Income	**9.2%**	**8.1%**	**7.2%**

Anti-Poverty Tax Policies Offered

> Low-income quasi-circuit breaker (for homeowners 65+, surviving spouse, disabled, former POW, disabled veteran or orphaned minor)

> Refundable non-income limited "Grocery Credit" to assist in offsetting grocery taxes (all ages)

> Nonrefundable $205 Child Tax Credit

Anti-Poverty Tax Policies to Consider

> Make true circuit breaker credit and expand to include homeowners and renters of all ages

> Limit "Grocery Credit" to low-income households and increase maximum credit

> Make Child and Dependent Care Credit refundable and limit to low-income families

> Introduce a refundable Earned Income Tax Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Illinois

2017 Poverty Rate = 15.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,400	$51,700	$1,704,500
Taxes as a Share of Income	**14.4%**	**12.6%**	**7.4%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 18% of federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Restore and then expand Circuit Breaker Program to Homeowners and Renters of All Ages

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Indiana

2017 Poverty Rate = 16.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,400	$46,700	$1,009,500
Taxes as a Share of Income	**12.8%**	**11.1%**	**6.8%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 9%; not coupled to 2015 federal expansions

> Refundable low-income credit (65+)

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit and couple to federal improvements

> Expand Low-Income Credit to all ages and increase maximum credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Iowa

2017 Poverty Rate = 10.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,000	$50,800	$960,000
Taxes as a Share of Income	**12.4%**	**10.7%**	**7.7%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 15% of the federal credit

> Low-income quasi-circuit breaker (for homeowners and renters, 65+ or disabled)

> Refundable income-limited Child and Dependent Care Credit modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Make true circuit breaker credit and expand to include homeowners and renters of all ages; increase maximum credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Kansas

2017 Poverty Rate = 14.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,000	$50,700	$1,289,800
Taxes as a Share of Income	**11.4%**	**10.6%**	**7.4%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 17% of the federal credit

> Low-income quasi-circuit breaker (for homeowners, disabled or guardian of dependent child under 18)

> Low-income nonrefundable food tax credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Make true circuit breaker credit and expand to include homeowners and renters of all ages; increase maximum credit

> Make food tax credit refundable

> Restore Child and Dependent Care Credit and make refundable

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Kentucky

2017 Poverty Rate = 13.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,000	$40,400	$935,400
Taxes as a Share of Income	**9.5%**	**11.1%**	**6.7%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Child and Dependent Care Credit at 20% of the federal credit

> Nonrefundable low-income credit (all ages)

Anti-Poverty Tax Policies to Consider

> Anti-Poverty Tax Policies to Consider

> Make Child and Dependent Care Credit refundable and limit to low-income families

> Make low-income credit refundable and increase maximum credit

> Introduce a refundable Earned Income Tax Credit

> Create a low-income property tax circuit breaker

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Louisiana

2017 Poverty Rate = 10.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,500	$42,000	$1,061,200
Taxes as a Share of Income	**11.9%**	**10.0%**	**6.2%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 5% of the federal credit

> Refundable Child and Dependent Care Credit for taxpayers with incomes below $25K; nonrefundable credit for all other taxpayers; modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Maine

2017 Poverty Rate = 14.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,500	$44,900	$877,200
Taxes as a Share of Income	**8.7%**	**9.6%**	**8.6%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 5% of federal credit

> Low- and Middle- Income Circuit Breaker (For Homeowners and Renters, All Ages)

> Refundable Child and Dependent Care Credit at 25% of the federal credit for up to $500 of expenses; nonrefundable credit at 25% of the federal credit for expenses over $500; percent varies based on service provider

> Targeted, refundable sales tax credit to offset the impact of increased sales taxes on low- and middle-income residents

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Enhance circuit breaker program; increase maximum credit

> Make Child and Dependent Care Credit fully refundable and limit to low-income families

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Maryland

2017 Poverty Rate = 11.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,500	$54,200	$1,448,000
Taxes as a Share of Income	**9.8%**	**10.6%**	**9.0%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 28% of the federal credit; Nonrefundable at 50% of the federal credit

> Low- and middle-income multiple threshold circuit breaker (for homeowners and renters, all ages)

> Nonrefundable income-limited Child and Dependent Care Credit modeled after the federal credit

> Nonrefundable "State Poverty Level Credit" offered

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit and make fully refundable

> Increase circuit breaker program maximum credit

> Make Child and Dependent Care Credit refundable and increase maximum credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Massachusetts

2017 Poverty Rate = 13.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,000	$58,600	$2,507,300
Taxes as a Share of Income	**10.0%**	**9.3%**	**6.5%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 30% of federal credit

> Low- and Middle- Income Circuit Breaker (For Homeowners and Renters, 65+)

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand circuit breaker program to include homeowners and renters of all ages; increase maximum credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Michigan

2017 Poverty Rate = 14.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,000	$43,300	$1,245,700
Taxes as a Share of Income	**10.4%**	**9.2%**	**6.2%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 6% of the federal credit

> Low-income circuit breaker (for homeowners and renters, all ages)

Anti-Poverty Tax Policies to Consider

> Restore Earned Income Tax Credit to 20% (pre 2012 amount)

> Increase circuit breaker program maximum; restore to pre 2012 levels

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Minnesota

2017 Poverty Rate = 19.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,800	$56,400	$1,452,500
Taxes as a Share of Income	**8.7%**	**9.7%**	**10.1%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit, structured differently from the federal credit, average rate is 34% of the federal credit

> Low- and middle-income circuit breaker (for homeowners and renters, all ages)

> Refundable income-limited Child and Dependent Care Credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Enhance circuit breaker program and increase maximum credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Mississippi

2017 Poverty Rate = 15.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,200	$34,300	$802,200
Taxes as a Share of Income	**10.2%**	**10.8%**	**6.7%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Missouri

2017 Poverty Rate = 9.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,500	$43,500	$1,222,900
Taxes as a Share of Income	**9.9%**	**9.0%**	**6.2%**

Anti-Poverty Tax Policies Offered

> Low-income circuit breaker (for homeowners and renters, 65+ or disabled)

Anti-Poverty Tax Policies to Consider

> • Expand circuit breaker to include homeowners and renters of all ages and increase maximum credit

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Montana

2017 Poverty Rate = 11.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,700	$42,800	$1,126,400
Taxes as a Share of Income	**7.9%**	**7.1%**	**6.5%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 3% of the federal credit

> Low-income circuit breaker (for homeowners all ages and renters, 62+)

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand circuit breaker program to include renters of all ages and increase maximum credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Nebraska

2017 Poverty Rate = 12.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,800	$50,500	$1,063,600
Taxes as a Share of Income	**11.1%**	**10.8%**	**8.7%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10% of the federal credit

> Refundable income-limited Child and Dependent Care Credit for taxpayers with income under $29K; nonrefundable for taxpayers with income over $29K; modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Make Child and Dependent Care Credit fully refundable and increase maximum credit

> Restore circuit breaker program to homeowners and renters of all ages

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Nevada

2017 Poverty Rate = 9.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,700	$42,200	$1,698,500
Taxes as a Share of Income	**10.2%**	**7.6%**	**1.9%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

New Hampshire

2017 Poverty Rate = 9.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$16,100	$57,200	$1,461,900
Taxes as a Share of Income	**9.1%**	**8.1%**	**3.0%**

Anti-Poverty Tax Policies Offered

> Low-Income Circuit Breaker (For Homeowners, All Ages)

Anti-Poverty Tax Policies to Consider

> Make true low-income circuit breaker credit, expand to include renters of all ages and increase maximum credit

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

New Jersey

2017 Poverty Rate = 10.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,600	$58,100	$1,864,800
Taxes as a Share of Income	**8.7%**	**10.1%**	**9.8%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 37% of the federal credit (up to 40% by 2020)

> Low- and Middle- Income Circuit Breaker (For Homeowners, All Ages)

> Nonrefundable income-limited Child and Dependent Care Tax Credit modeled after federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand circuit breaker to include renters of all ages

> Make Child and Dependent Care Credit refundable

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

New Mexico

2017 Poverty Rate = 12.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,500	$39,400	$845,400
Taxes as a Share of Income	**10.6%**	**10.2%**	**6.0%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10% of the federal credit

> Low-income multiple threshold circuit breaker (for homeowners and renters, 65+)

> Refundable income-limited Child and Dependent Care Credit modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand Circuit Breaker Program to Homeowners & Renters of All Ages; Increase maximum credit

> Increase Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

New York

2017 Poverty Rate = 10.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,700	$47,600	$2,491,200
Taxes as a Share of Income	**11.4%**	**12.4%**	**11.3%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 30% of the federal credit (additional 5% credit in NYC); enhanced EITC eligibility for certain non-custodial parents

> Low-income quasi-circuit breaker (for homeowners and renters, all ages)

> Refundable income-limited Child and Dependent Care Credit modeled after the federal credit

> Refundable credit of the greater of $100 per qualifying child or 33% of the taxpayer's allowed federal credit

> Nonrefundable low-income credit (all ages)

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Make true low-incom circuit breaker credit and increase maximum credit

> Increase Child Tax Credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

North Carolina

2017 Poverty Rate = 10.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,200	$40,100	$1,085,000
Taxes as a Share of Income	**9.5%**	**9.4%**	**6.4%**

Anti-Poverty Tax Policies Offered

> Nonrefundable income limited $100 per Child Tax Credit modeled after the federal credit ($125/child for AGI under $40K)

Anti-Poverty Tax Policies to Consider

> Make Child Credit Refundable

> Reinstate and Increase Earned Income Tax Credit

> Reinstate the Child and Dependent Care Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

North Dakota

2017 Poverty Rate = 13.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$16,600	$55,200	$1,331,300
Taxes as a Share of Income	**10.3%**	**8.5%**	**4.5%**

Anti-Poverty Tax Policies Offered

> Low-income quasi-circuit breaker for homeowners, true circuit breaker for renters (65+ or disabled)

Anti-Poverty Tax Policies to Consider

> Make true low-income circuit breaker for homeowners and expand to include homeowners and renters of all ages

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Ohio

2017 Poverty Rate = 11.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,200	$44,100	$1,052,700
Taxes as a Share of Income	**12.3%**	**10.7%**	**6.2%**

Anti-Poverty Tax Policies Offered

> Limited Earned Income Tax Credit at 10% of the federal credit

> Nonrefundable income-limited Child and Dependent Care Credit modeled after the federal credit

> Nonrefundable low-income credit (all ages)

Anti-Poverty Tax Policies to Consider

> Expand Earned Income Tax Credit and make it refundable

> Make the Child and Dependent Care Credit Refundable and increase benefits

> Make the Low-Income Tax Credit Refundable

> Create a Child-related Credit

> Create a low-income circuit breaker property tax credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Oklahoma

2017 Poverty Rate = 16.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,000	$43,700	$1,135,300
Taxes as a Share of Income	**13.2%**	**10.7%**	**6.2%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Earned Income Tax Credit at 5%

> Low-Income Circuit Breaker (For Homeowners, 65+ or Disabled)

> Choice between greater of nonrefundable Child and Dependent Care Credit at 5% of the federal credit or nonrefundable Child Tax Credit at 20% of the federal credit

> Refundable low-income credit to assist in offsetting sales taxes (all ages, but higher income limit for elderly households)

Anti-Poverty Tax Policies to Consider

> Expand Earned Income Tax Credit and make it refundable

> Expand circuit breaker to include homeowners and renters of all ages and increase maximum credit

> Make child-related credits refundable and increase benefits

> Allow filers to claim Child and Dependent Care Credit and Child Tax Credit

> Increase low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Oregon

2017 Poverty Rate = 9.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,700	$48,200	$1,122,100
Taxes as a Share of Income	**10.1%**	**9.1%**	**8.1%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 8% of the federal credit; 11% for filers with one or more dependents under 3 years old

> Low-income circuit breaker (for renters, 58+)

> Refundable income-limited Child and Dependent Care Credit

> Refundable low-income child credit to offset qualifying child care expenses for low-income working families

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand circuit breaker program to include homeowners and renters of all ages

> Increase maximum benefits of Child and Dependent Care Credit

> Increase low-income child credit

> Create a refundable low-income credit for all households

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Pennsylvania

2017 Poverty Rate = 11.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,600	$49,400	$1,327,500
Taxes as a Share of Income	**13.8%**	**11.1%**	**6.0%**

Anti-Poverty Tax Policies Offered

> Low-income circuit breaker (for homeowners and renters, 65+, 50+ surviving spouse or disabled)

> Nonrefundable Low-Income Credit

Anti-Poverty Tax Policies to Consider

> Expand Circuit Breaker to all ages

> Enhance Low-Income Credit

> Introduce a Refundable Earned Income Tax Credit

> Create a Child-related Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Rhode Island

2017 Poverty Rate = 19.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,000	$45,700	$1,123,300
Taxes as a Share of Income	**12.1%**	**9.5%**	**7.9%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 15% of the federal credit

> Low-income circuit breaker (for homeowners and renters, 65+ or disabled)

> Nonrefundable Child and Dependent Care Credit at 25% of the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Restore circuit breaker program for homeowners and renters under 65

> Make Child and Dependent Care Credit refundable and limit to low-income families

> Create a refundable low-income credit for all households

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

South Carolina

2017 Poverty Rate = 13.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,000	$39,500	$992,300
Taxes as a Share of Income	**8.3%**	**8.1%**	**6.8%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Earned Income Tax Credit at 20.8% of the federal credit; phasing in to 125% of federal credit

> Refundable Child and Dependent Care Credit at 7% of the federal credit

Anti-Poverty Tax Policies to Consider

> Make Earned Income tax refundable

> Make Child and Dependent Care Credit refundable and limit to low-income families

> Create a low-income property tax circuit breaker

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

South Dakota

2017 Poverty Rate = 11.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,900	$52,600	$1,499,400
Taxes as a Share of Income	**11.2%**	**8.9%**	**2.5%**

Anti-Poverty Tax Policies Offered

> Low-Income Quasi-Circuit Breaker (For Homeowners, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider

> Fully fund circuit breaker program and expand to include homeowners and renters of all ages

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Tennessee

2017 Poverty Rate = 10.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,000	$40,800	$1,344,600
Taxes as a Share of Income	**10.5%**	**8.5%**	**2.8%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Texas

2017 Poverty Rate = 1.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,000	$45,300	$1,636,700
Taxes as a Share of Income	**13.0%**	**9.7%**	**3.1%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Utah

2017 Poverty Rate = 9.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,100	$50,600	$1,300,500
Taxes as a Share of Income	**7.5%**	**8.2%**	**6.7%**

Anti-Poverty Tax Policies Offered

> Low-Income Circuit Breaker (For Homeowners and Renters, 65+)

Anti-Poverty Tax Policies to Consider

> Expand Circuit Breaker Program to include all ages

> Introduce a Refundable Earned Income Tax Credit

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Vermont

2017 Poverty Rate = 7.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,500	$49,200	$993,600
Taxes as a Share of Income	**8.7%**	**10.1%**	**10.4%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 36% of federal credit

> Low- and Middle- Income Circuit Breaker (For Homeowners and Renters, All Ages)

> Refundable Child and Dependent Care Credit at 50% of the federal credit for taxpayers with income below $30K if single, $40K if married; nonrefundable credit at 24% of the federal creditfor all other filers

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Increase circuit breaker program maximum benefits

> Make Child and Dependent Care Credit fully refundable and limit to low-income families

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Virginia

2017 Poverty Rate = 11.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,900	$50,800	$1,415,500
Taxes as a Share of Income	**9.8%**	**9.2%**	**7.0%**

Anti-Poverty Tax Policies Offered

> Nonrefundable Earned Income Tax Credit at 20%

> Nonrefundable Low-Income Credit can be taken as an alternative to the Earned Income Tax Credit

Anti-Poverty Tax Policies to Consider

> Make Earned Income Tax Credit Refundable and Increase Credit

> Make Low-Income Credit Refundable

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Washington

2017 Poverty Rate = 19.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,500	$56,300	$1,618,200
Taxes as a Share of Income	**17.8%**	**11.0%**	**3.0%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10% (Unfunded)

Anti-Poverty Tax Policies to Consider

> Fully fund Earned Income Tax Credit and Increase the Size of Credit

> Restire Circuit Breaker Program and expand to include all ages

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

West Virginia

2017 Poverty Rate = 15.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$8,900	$37,000	$702,400
Taxes as a Share of Income	**9.4%**	**8.5%**	**7.4%**

Anti-Poverty Tax Policies Offered

> Universal Circuit Breaker (For Homeowners, All Ages)

>Nonrefundable Low-Income Family Credit

Anti-Poverty Tax Policies to Consider

> Limit Circuit Breaker Program to low-income households and make available to renters

> Make low-income family credit refundable

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Wisconsin

2017 Poverty Rate = 21.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,700	$50,800	$1,169,400
Taxes as a Share of Income	**10.1%**	**10.1%**	**7.7%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 4% for One Child; 11% for Two; 34% for Three

> Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, All Ages)

>Nonrefundable, all ages, Low-Income Tax credit offered

> One time $100 child tax rebate in 2018

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Increase Circuit Breaker Program Maximum Credit

> Make Low-Income Tax Credit Refundable

> Create a permanent child related credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*

Wyoming

2017 Poverty Rate = 25.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$15,600	$60,700	$2,017,000
Taxes as a Share of Income	**9.6%**	**7.5%**	**2.6%**

Anti-Poverty Tax Policies Offered

> Low-Income quasi-Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider

> Expand circuit breaker program to include homeowners and renters of all ages

> Introduce a refundable Earned Income Tax Credit

> Create a child-related credit

> Create a refundable low-income credit

**The baseline distribution of taxes is from ITEP's 2018 Who Pays? report. The figures represent total state and local taxes as a share of income.*