

Credit Where Credit is (Over) Due

Four State Tax Policies Could Lessen the Effect that State Tax Systems Have in Exacerbating Poverty

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INSTITUTE ON TAXATION AND ECONOMIC POLICY

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About ITEP

Founded in 1980, the Institute on Taxation and Economic Policy (ITEP) is a non-profit, non-partisan research organization, based in Washington, DC, that focuses on federal and state tax policy. ITEP's mission is to inform policymakers and the public of the effects of current and proposed tax policies on tax fairness, government budgets, and sound economic policy. Among its many publications on state and local tax policy are *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States* and *The ITEP Guide to Fair State and Local Taxes*. ITEP's full body of research is available at www.itepnet.org.

Introduction

The ongoing recession has had an unrelenting impact on families and communities in every state across the country. Millions of Americans are without work and in many cases those with jobs are experiencing reduced work hours and wages. New poverty figures from the US Census suggest that the road to economic security will be a long one for the low-income families hit hardest by the recession. In 2009, the share of Americans living in poverty was the highest it has been since 1994. The national poverty rate increased from 13.2 percent to 14.3 percent which represents roughly 1 in 7 people¹. Thirty-one states also experienced an increase in the share and number of residents living in poverty.²

Low-income families face a dual challenge as they work to make ends meet during challenging economic times. As the new poverty figures indicate, more people are struggling to provide for their families and are unable to find work that pays a decent wage. At the same time, state and local tax systems exacerbate the situation by imposing a greater responsibility on low-income families than on wealthy ones, making it even harder for low-wage workers to move above the poverty line and achieve economic security. ITEP's recent study, [*Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*](#), found that nationwide, the poorest twenty percent of Americans paid on average 10.9 percent of their incomes in state and local taxes in 2007. By contrast, middle-income taxpayers paid on average 9.4 percent of their incomes toward those taxes, and the wealthiest one percent of taxpayers paid just 5.2 percent of their incomes, on average, in state and local taxes.

State tax systems have the potential to play an important role in curbing the impact of poverty and ensuring economic security for all residents. Unfortunately, state tax policy as it is currently structured usually works directly contrary to these goals, and creates an uneven playing field for low-income workers. In most states, truly remedying this unfairness would require fundamental tax reform. Short of this, however, lawmakers can utilize their states' tax systems as a means of providing affordable and targeted assistance to the growing number of people and families living in poverty. Virtually every state could jump-start their anti-poverty efforts with relatively little effort by enacting one or more of these four proven and effective tax reforms: Refundable state Earned Income Tax Credits, property tax circuit breakers, targeted low-income credits, and child-related tax credits.

¹ US Census Bureau, 2010 Current Population Survey Annual Social and Economic Supplement.

² US Census Bureau, 2009 American Community Survey.

State Tax Strategies for Reducing Poverty

Refundable State Earned Income Tax Credit

The federal Earned Income Tax Credit (EITC) is widely recognized as an effective anti-poverty strategy, lifting roughly five million people each year above the federal poverty line. It was introduced in 1975 to provide targeted tax reductions to low-income workers and also as an important way of rewarding work and increasing 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 in 2010, for each dollar earned up to \$12,590, single parents with two children receive a tax credit equal to 40 percent of those earnings, up to a maximum credit of \$5,036. Single parents earning over \$12,590 receive no additional credit. The value of the credit starts to fall for single parents when income exceeds \$16,450 and is completely eliminated for single parents earning over \$40,363.

Twenty-four states and the District of Columbia have enacted state Earned Income Tax Credits based on the federal EITC. Calculating the EITC as a percentage of the federal credit makes the credit easy for state taxpayers to claim (since they have already calculated the amount of their federal credit) and easy for state tax administrators to monitor. However, these states vary dramatically in the generosity of their credits. The credit provided by the District of Columbia amounts to 40 percent of the federal credit, while eight states have credits that are worth less than 10 percent of the federal credit.

Refundability is an especially important component of state EITCs or any targeted low-income tax credit to ensure deserving families get the full benefit of the credit. 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 all but two states (Delaware and Virginia), the EITC is refundable.

To help alleviate poverty, states with EITCs should consider increasing the percentage of the existing credit and other states should consider introducing a generous and refundable EITC.

Low-Income Circuit Breaker for Homeowners and Renters

Property tax circuit breakers are effective targeted tax breaks for the low- and fixed income families who have been hit hardest by the recession and housing crisis. Its name reflects its design: circuit breakers protect low-income residents from a property tax “overload”, just like

an electrical circuit breaker. When a property tax bill exceeds a certain percentage of a taxpayer's income, the circuit breaker rebates property taxes in excess of this "overload" level.

Circuit breakers usually give homeowners and renters a credit equal to the amount by which their property tax bill exceeds a certain percentage of their income, though sometimes only a percentage of that amount is given, and there is usually a cap limiting the total amount of credit allowed.

A majority of states now offer something resembling a circuit breaker credit to older adults, but relatively few have allowed the credit to non-elderly homeowners—despite the fact that low-income non-elderly families can feel the pinch from high property taxes just as much as older adults. The most effective circuit breaker programs are made available to low-income taxpayers, regardless of their age, and are also extended to renters. Because it is generally agreed 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 the same as for a homeowner, except that renters must assume that their property tax bill is equal to some percentage of their rent paid. Renters in Michigan, for instance, use 20 percent of their rent as their assumed property tax in calculating their circuit breaker credit.

States interested in an innovative and highly targeted approach to reducing property taxes for low-income homeowners and renters should consider introducing a 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.

Targeted Low-Income Tax Credits

Because the Earned Income Tax Credit is targeted towards low-income working families with children, it is not the best approach for reaching older adults and adults without children. Thus, refundable low-income credits are a good complementary approach to state EITCs.

Nine states offer income tax credits of their own design to ensure that families below a certain income level aren't subject to the tax. For example, Ohio offers a nonrefundable credit which ensures that families with incomes less than \$10,000 aren't subject to the income tax. Kentucky offers a nonrefundable credit based on a family's size which ensures that families at or below the poverty level aren't subject to state income taxes. Making these targeted low-income credits refundable would be more beneficial for low-income families.

Seven states offer an income tax credit to assist in offsetting some of the sales and excise taxes that low-income families pay. Some of the credits are specifically intended to offset some of the impact of sales taxes on groceries. The credits are normally a flat dollar amount for each family member, and are available only to taxpayers with income below a certain

threshold. These credits 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 important because it allows low-income credits to be used by taxpayers who have little or no income tax liability but who pay a substantial amount of their income in sales taxes. Idaho offers a \$60 refundable credit for each Idahoan and their dependents even if taxpayers aren't subject to the income tax to offset grocery taxes. Idaho residents over the age of 65 receive an additional \$20 credit.

States that are committed to making sure families living in poverty aren't pushed further into poverty by state taxes should create refundable, targeted low-income credits. Such credits can also be used to mitigate the regressive nature of state sales taxes. In states where these credits already exist, lawmakers should act to enhance them, such as by making them refundable.

Child-related Tax Credits

Child Tax Credit: The federal government 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 qualifying families. 3 states offer a much smaller child tax credit for qualifying families. These per child credits are an important anti-poverty strategy especially if they are refundable and income limited. The credits are offered beyond the extra dependent exemptions or exemption credits that most states offer families. For example, New York offers a \$100 refundable child tax credit for qualifying families.

States that 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.

Child and Dependent Care Credits: Low and middle-income working parents frequently spend a significant portion of their income on child care. The federal government allows a nonrefundable income tax credit to help offset child care expenses. In 2010, single working parents (and two-earner married couples) with children under 12 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 most in need.

The majority of the 24 states that offer a credit for child and dependent care model their state credit after the federal credit. For example, Kansas allows taxpayers to take 25 percent of their federal child and dependent care credit as their Kansas child care credit. Nebraska takes a slightly different approach that offers both a refundable and a nonrefundable credit depending on a family's income. The Nebraska refundable child care credit is calculated as 100 percent of the federal credit for low income filers. Higher earners can claim a nonrefundable credit equal to 25 percent of the federal credit. This approach targets the benefits of the Nebraska credit much more efficiently to low- and middle-income parents than does the federal credit.

States interested in targeting their 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.

Final Thoughts

American families living in poverty are in crisis, and state tax systems across the country do little to offer the assistance low-income families need. Instead, regressive state tax structures are actually pushing families deeper into poverty. State lawmakers have a responsibility to ensure that their state's tax structures do not exacerbate this crisis.

As lawmakers look for policy tools to help address growing poverty, they must consider using the tax system as a means to alleviate hardship and boost the incomes of low-income families in their state. In particular, refundable tax credits are popular, effective, and time-tested anti-poverty solutions that would also provide additional income to help families pay for food, housing, transportation and other necessities.

A state-by-state chart describing current anti-poverty tax policies offered and policies to consider enacting follows the brief.

State-by-State Tax Strategies for Reducing Poverty

Alabama			
Total Average State and Local Taxes as a % of Income ¹ :			Poverty Rate ² = 17.5%
	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,400	\$ 34,600	\$1,196,200
Taxes as a Share of Income	10.2%	9.5%	4.0%
Anti-Poverty Tax Policies Offered:		Anti-Poverty Tax Policies to Consider:	
* None		<ul style="list-style-type: none"> • Enact an Earned Income Tax Credit • Create a Low-Income Property Tax Circuit Breaker • Create a Child-related Credit • Create a Refundable Low-Income Credit 	

Alaska			
Total Average State and Local Taxes as a % of Income:			Poverty Rate = 9%
	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 13,600	\$ 47,500	\$1,135,200
Taxes as a Share of Income	7.0%	4.0%	2.2%
Anti-Poverty Tax Policies Offered:		Anti-Poverty Tax Policies to Consider:	
* None		<ul style="list-style-type: none"> • Enact an Earned Income Tax Credit • Create a Low-Income Property Tax Circuit Breaker • Create a Child-related Credit • Create a Refundable Low-Income Credit 	

Arizona			
Total Average State and Local Taxes as a % of Income:			Poverty Rate = 16.5%
	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,500	\$ 40,600	\$1,460,400
Taxes as a Share of Income	12.5%	9.1%	4.6%
Anti-Poverty Tax Policies Offered:		Anti-Poverty Tax Policies to Consider:	
<ul style="list-style-type: none"> ✓ Low-Income quasi-Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)³ ✓ Nonrefundable, all ages, Low-Income Credit offered ✓ Refundable, all ages, Low-Income Credit offered to assist in offsetting increases in excise taxes 		<ul style="list-style-type: none"> • Expand Circuit Breaker Program to Include Homeowners and Renters of All Ages; Raise Maximum Benefits • Enhance Low-Income Credits • Enact an Earned Income Tax Credit • Create a Child-related Credit 	

Arkansas			
Total Average State and Local Taxes as a % of Income:			Poverty Rate = 18.8%
	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,600	\$ 33,800	\$ 911,500
Taxes as a Share of Income	12.1%	11.7%	5.9%
Anti-Poverty Tax Policies Offered:		Anti-Poverty Tax Policies to Consider:	
<ul style="list-style-type: none"> ✓ Nonrefundable, all ages, Low-Income Credit offered ✓ Child and Dependent Care Credit offered modeled after the federal credit; Refundable for children under age 6⁴ 		<ul style="list-style-type: none"> • Enhance Low-Income Credit • Make Child and Dependent Care Credit Fully Refundable; Increase maximum benefits • Enact an Earned Income Tax Credit • Create a Low-Income Property Tax Circuit Breaker 	

California			
Total Average State and Local Taxes as a % of Income:			Poverty Rate = 14.2%
	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 13,200	\$ 46,000	\$2,180,900
Taxes as a Share of Income	10.2%	8.1%	7.4%
Anti-Poverty Tax Policies Offered:		Anti-Poverty Tax Policies to Consider:	
<ul style="list-style-type: none"> ✓ Low-Income quasi-Circuit Breaker (For Homeowners and Renters, 62+ or Disabled) ✓ Low-Income Renters credit available ✓ Refundable income limited Child and Dependent Care Credit offered modeled after the federal credit 		<ul style="list-style-type: none"> • Fully Fund Circuit Breaker Program; Expand Program to Include Homeowners and Renters of All Ages; Raise Maximum Benefits • Enact an Earned Income Tax Credit • Create a Refundable Low-Income Credit 	

Colorado

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.9%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,400	\$ 48,500	\$1,975,800
Taxes as a Share of Income	9.0%	8.2%	4.2%

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 (2009)

Anti-Poverty Tax Policies to Consider:

- Unsuspend and Fully Fund the Earned Income Tax Program; Raise Rates from 10%
- Expand Circuit Breaker program to Include Homeowners and Renters of All Ages; Raise Maximum Benefits
- Create a Refundable Low-Income Credit

Connecticut

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 9.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,700	\$ 58,100	\$3,164,200
Taxes as a Share of Income	12.0%	9.9%	4.9%

Anti-Poverty Tax Policies Offered:

- ✓ Low-Income Sliding Scale 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
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Delaware

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 10.8%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,100	\$ 44,600	\$1,613,700
Taxes as a Share of Income	6.0%	5.4%	4.5%

Anti-Poverty Tax Policies Offered:

- ✓ Nonrefundable Earned Income Tax Credit at 20%
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the 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

District of Columbia

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 18.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,400	\$ 45,400	\$2,708,300
Taxes as a Share of Income	6.2%	10.5%	6.4%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 40%
- ✓ Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Child and Dependent Care Credit offered modeled after 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

Florida

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.9%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,500	\$ 37,400	\$2,444,400
Taxes as a Share of Income	13.5%	9.0%	2.1%

Anti-Poverty Tax Policies Offered:

- * None

Anti-Poverty Tax Policies to Consider:

- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related credit
- Create a Refundable Low-Income Credit

Georgia

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 16.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,800	\$ 38,300	\$1,351,700
Taxes as a Share of Income	11.7%	10.3%	5.7%

Anti-Poverty Tax Policies Offered:

- ✓ Nonrefundable, all ages, Low-Income Credit offered (2010)
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after 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
- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker

Hawaii

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 10.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,800	\$ 41,400	\$1,040,300
Taxes as a Share of Income	12.2%	11.2%	6.3%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable, all ages, Low-Income Credit offered to assist in offsetting food and excise taxes
- ✓ Refundable Child and Dependent Care Credit offered
- ✓ Refundable income limited credit for renters

Anti-Poverty Tax Policies to Consider:

- Enhance existing Low-Income Credits
- Limit Child and Dependent Care Credit to Low-Income Families and increase benefits
- Create a Low-Income Property Tax Circuit Breaker for homeowners
- Enact an Earned Income Tax Credit

Idaho

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,800	\$ 41,400	\$1,287,900
Taxes as a Share of Income	8.6%	8.2%	6.3%

Anti-Poverty Tax Policies Offered:

- ✓ Low-Income quasi-Circuit Breaker (For Homeowners and Renters, 65+, Widowers, Disabled, Former POWs)
- ✓ Refundable, all ages, non-income limited credit offered to assist in offsetting grocery taxes

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to Homeowners and Renters of All Ages; Increase Maximum Benefits
- Limit Credit to Low-Income households and increase amount
- Enact an Earned Income Tax Credit
- Create a Child-related Credit

Illinois

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 13.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,100	\$ 47,000	\$2,084,700
Taxes as a Share of Income	13.0%	10.1%	4.1%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 5%
- ✓ Low-Income Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to Homeowners and Renters of All Ages; Increase Maximum Benefits
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Indiana

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,300	\$ 43,000	\$1,024,800
Taxes as a Share of Income	11.9%	10.4%	5.3%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 9%
- ✓ Refundable, elderly only, Low-Income Credit offered

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Low-Income Credit to all ages and increase benefit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related Credit

Iowa

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11.8%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,500	\$ 45,800	\$ 989,200
Taxes as a Share of Income	11.0%	9.6%	6.0%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 7%
- ✓ Low-Income Sliding Scale Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)
- ✓ Refundable income limited Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to Homeowners and Renters of All Ages; Increase Maximum Benefits
- Create a Refundable Low-Income Credit

Kansas

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 13.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,100	\$ 45,500	\$ 1,236,400
Taxes as a Share of Income	9.2%	9.0%	5.9%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 17%
- ✓ Low-Income Sliding Scale Circuit Breaker (For Homeowners and Renters, 55+, Disabled, Or With Dependent Under 18)
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit
- ✓ Refundable, elderly and families with dependents only, Low-Income Credit offered to assist in offsetting sales taxes on food

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to Homeowners and Renters of All Ages; Increase Maximum Benefits
- Make Child and Dependent Care Credit Refundable and Increase maximum benefits
- Increase Low-Income Credit

Kentucky

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 18.6%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,300	\$ 36,300	\$ 957,500
Taxes as a Share of Income	9.4%	10.8%	6.1%

Anti-Poverty Tax Policies Offered:

- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit
- ✓ Nonrefundable, all ages, Low-Income Credit offered

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 credit amount
- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker

Louisiana

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 17.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,800	\$ 36,600	\$ 1,027,100
Taxes as a Share of Income	10.4%	9.8%	5.2%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 3.5%
- ✓ Nonrefundable (refundable for qualifying families) Child and Dependent Care Credit offered modeled after the federal credit.
- ✓ Nonrefundable (refundable for qualifying families) Child Care Credit is also available.

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Child and Dependent Care Credit to Include Children Over the Age of Five and make the credit Refundable
- Make Child Care Credit Refundable
- Create a Low-Income Property Tax Circuit Breaker
- Create a Refundable Low-Income Credit

Maine

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,000	\$ 39,300	\$ 977,600
Taxes as a Share of Income	9.5%	9.8%	6.9%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 4%
- ✓ Middle Class / Low-Income Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Partially refundable (up to \$500) Child and Dependent Care Credit offered.

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Make Circuit Breaker Program Fully Refundable
- Make Child and Dependent Care Credit Fully Refundable
- Create a Refundable Low-Income Credit

Maryland

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 9.1%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,100	\$ 51,500	\$1,848,200
Taxes as a Share of Income	9.9%	9.8%	6.2%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 25%; Nonrefundable up to 50%
- ✓ Middle Class / Low-Income Multiple Threshold Circuit Breaker (For Homeowners All Ages and Renters 60+, Disabled, or With Dependent)
- ✓ Nonrefundable income limited Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Circuit Breaker program benefits and make fully available to low-income renters.
- Make Child and Dependent Care Credit Refundable and Increase maximum benefits
- Create a Refundable Low-Income Credit

Massachusetts

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 10.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,200	\$ 52,900	\$2,628,700
Taxes as a Share of Income	10.1%	9.6%	4.8%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 15%
- ✓ Middle Class / Low-Income Circuit Breaker (For Homeowners and Renters, 65+)

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to Homeowners and Renters of All Ages; increase Maximum Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Michigan

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 16.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,700	\$ 41,900	\$1,099,200
Taxes as a Share of Income	8.9%	9.5%	5.3%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 20%
- ✓ Middle Class / Low-Income Circuit Breaker (For Homeowners and Renters, All Ages)

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Circuit Breaker Program Benefits
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Minnesota

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,100	\$ 51,400	\$1,607,700
Taxes as a Share of Income	9.2%	10.0%	6.6%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at Variable Rates from 22%-46%
- ✓ Middle Class / Low-Income quasi-Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Refundable income limited Child and Dependent Care Credit offered

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Circuit Breaker Program benefits
- Create a Refundable Low-Income Credit

Mississippi

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 21.9%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,100	\$ 31,600	\$ 806,700
Taxes as a Share of Income	10.8%	10.7%	5.5%

Anti-Poverty Tax Policies Offered:

- * None

Anti-Poverty Tax Policies to Consider:

- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related credit
- Create a Refundable Low-Income Credit

Missouri

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.6%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,000	\$ 40,400	\$1,170,600
Taxes as a Share of Income	9.6%	9.2%	5.4%

Anti-Poverty Tax Policies Offered:

✓Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to Renters and Homeowners of All Ages; Increase Maximum Benefits
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Montana

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 15.1%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,700	\$ 37,500	\$1,097,200
Taxes as a Share of Income	6.1%	6.0%	4.6%

Anti-Poverty Tax Policies Offered:

✓Low-Income Sliding Scale Circuit Breaker (For Homeowners All Ages and Renters, 62+)

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to Renters of All Ages; Increase Maximum Credit
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Nebraska

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,700	\$ 44,700	\$1,426,000
Taxes as a Share of Income	11.1%	10.3%	6.1%

Anti-Poverty Tax Policies Offered:

✓Refundable Earned Income Tax Credit at 10%

✓Low-Income Sliding Scale Circuit Breaker (For Homeowners, 65+ or Disabled)

✓Nonrefundable (refundable for qualifying families) income limited Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to Renters of All Ages; Increase maximum credit
- Make Child and Dependent Care Credit Refundable and Increase maximum benefits
- Create a Refundable Low-Income Credit

Nevada

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 14,000	\$ 42,900	\$2,368,100
Taxes as a Share of Income	8.9%	6.4%	1.6%

Anti-Poverty Tax Policies Offered:

✓Low-Income Sliding Scale Circuit Breaker (For Homeowners and Renters, 62+)

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to Renters and Homeowners of All Ages; Increase Maximum Benefits
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

New Hampshire

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 8.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 14,100	\$ 51,600	\$1,646,900
Taxes as a Share of Income	8.3%	6.3%	2.0%

Anti-Poverty Tax Policies Offered:

✓Low-Income Sliding Scale Circuit Breaker (For Homeowners, All Ages)

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to Renters
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

New Jersey

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 9.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,400	\$ 54,000	\$2,258,300
Taxes as a Share of Income	10.7%	8.6%	7.4%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 20% (2010)
- ✓ Middle Class / Low-Income Sliding Scale Circuit Breaker (For Homeowners and Renters, All Ages)

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit; Restore to 25%
- Increase Circuit Breaker Credits for Under 65 Homeowners and Renters, Fully Fund Program
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

New Mexico

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 18%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,900	\$ 35,700	\$1,032,100
Taxes as a Share of Income	10.8%	9.9%	4.5%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 10%
- ✓ Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, 65+)
- ✓ Refundable income limited Child and Dependent Care Credit offered
- ✓ Refundable, all ages, Low-Income Credit offered to assist in offsetting state and local taxes

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

New York

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,600	\$ 43,800	\$3,065,800
Taxes as a Share of Income	9.6%	11.6%	7.2%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 30%
- ✓ Low-Income quasi-Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Refundable income limited Child and Dependent Care Credit offered modeled after the federal credit
- ✓ Refundable income limited \$100 per child Child Tax Credit modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Circuit Breaker Income Ceiling and Maximum Benefits
- Increase Child and Dependent Care Credit
- Increase Child Tax Credit
- Create a Refundable Low-Income Credit

North Carolina

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 16.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,300	\$ 37,300	\$1,150,400
Taxes as a Share of Income	9.5%	9.4%	6.8%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 5%
- ✓ Nonrefundable income limited Child and Dependent Care Credit offered modeled after the federal credit
- ✓ Nonrefundable income limited \$100 per child child tax credit modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Make the Child and Dependent Care Credit Refundable and increase benefits
- Make Child Credit Refundable
- Create a Low-Income Property Tax Circuit Breaker
- Create a Refundable Low-Income Credit

North Dakota

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11.7%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 13,200	\$ 46,400	\$1,014,300
Taxes as a Share of Income	9.4%	7.9%	4.3%

Anti-Poverty Tax Policies Offered:

- ✓ Low-Income Sliding Scale Circuit Breaker (For Homeowners and Renters, 65+ or Disabled)

Anti-Poverty Tax Policies to Consider:

- Increase Size of Circuit Breaker Credit and Expand Base to All Renters and Homeowners
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Ohio

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 15.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,600	\$ 40,500	\$ 995,300
Taxes as a Share of Income	12.0%	10.6%	6.4%

Anti-Poverty Tax Policies Offered:

- ✓ Nonrefundable, all ages Low-Income Credit offered
- ✓ Nonrefundable income limited Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Make the Low-Income Tax Credit Refundable
- Make the Child and Dependent Care Credit Refundable and increase benefits.
- Enact an Earned Income Tax Credit
- Create a Child-related Credit

Oklahoma

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 16.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,800	\$ 37,200	\$ 1,370,200
Taxes as a Share of Income	9.9%	9.0%	4.8%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 5%
- ✓ Low-Income Circuit Breaker (For Homeowners, 65+ or Disabled)
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit.
- ✓ Refundable, all ages, Low-Income Credit offered to assist in offsetting sales taxes (higher limit for elderly households)

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Size of Circuit Breaker Credit and Expand Base to All Renters and Homeowners
- Make the Child and Dependent Care Credit refundable and increase benefits.
- Increase Low-Income Credit

Oregon

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,200	\$ 41,500	\$ 1,216,500
Taxes as a Share of Income	8.7%	7.9%	6.2%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 6%
- ✓ Low-Income Circuit Breaker (For Renters, 58+)
- ✓ Nonrefundable income limited Child and Dependent Care Credit offered modeled after the federal credit
- ✓ Refundable Low-Income/Child Tax Credit available to low-income working families with qualifying child care expenses

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Expand Circuit Breaker Program to include all ages and Homeowners
- Create a Refundable Low-Income Credit for all households

Pennsylvania

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,500	\$ 45,200	\$ 1,369,600
Taxes as a Share of Income	11.2%	9.1%	3.9%

Anti-Poverty Tax Policies Offered:

- ✓ Low-Income Quasi-Circuit Breaker (For Homeowners and Renters, 65+, 50+ Widowers, or Disabled)
- ✓ Refundable Low-Income Credit

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker to all ages
- Enhance Low-Income Credit
- Enact an Earned Income Tax Credit
- Create a Child-related Credit

Rhode Island

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,500	\$ 41,700	\$ 1,211,300
Taxes as a Share of Income	11.9%	10.1%	5.6%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 15%; Nonrefundable Up to 25%
- ✓ Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Make all levels of Earned Income Tax Credit Refundable and Increase the credit
- Increase Circuit Breaker Program maximum benefits from \$500
- Make Child and Dependent Care Credit Refundable and Limit to Low-Income Families

South Carolina

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 17.1%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 9,500	\$ 34,100	\$1,076,900
Taxes as a Share of Income	7.1%	7.6%	5.5%

Anti-Poverty Tax Policies Offered:

✓Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider:

- Make Child and Dependent Care Credit Refundable and Limit to Low-Income Families
- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Refundable Low-Income Credit

South Dakota

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 14.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,400	\$ 43,000	\$1,300,000
Taxes as a Share of Income	11.0%	7.8%	1.9%

Anti-Poverty Tax Policies Offered:

- ✓Low-Income Sliding Scale Circuit Breaker (For Homeowners, 65+ or Disabled)
- ✓Refundable Low-Income Credit offered to assist in offsetting sales tax on food
- ✓Refundable, elderly only, Low-Income Credit offered to assist in offsetting sales and property taxes

Anti-Poverty Tax Policies to Consider:

- Fully fund Circuit Breaker Program and expand base to include all ages
- Increase Low-Income credit
- Enact an Earned Income Tax Credit
- Create a Child-related Credit

Tennessee

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 17.1%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 10,200	\$ 38,000	\$1,365,800
Taxes as a Share of Income	11.7%	9.3%	3.1%

Anti-Poverty Tax Policies Offered:

* None

Anti-Poverty Tax Policies to Consider:

- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related credit
- Create a Refundable Low-Income Credit

Texas

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 17.2%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,200	\$ 40,000	\$1,753,600
Taxes as a Share of Income	12.2%	8.4%	3.0%

Anti-Poverty Tax Policies Offered:

* None

Anti-Poverty Tax Policies to Consider:

- Enact an Earned Income Tax Credit
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related credit
- Create a Refundable Low-Income Credit

Utah

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,500	\$ 44,200	\$1,579,900
Taxes as a Share of Income	9.3%	8.6%	4.9%

Anti-Poverty Tax Policies Offered:

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

Anti-Poverty Tax Policies to Consider:

- Expand Circuit Breaker Program to include non-elderly Renters and Homeowners
- Enact an Earned Income Tax Credit
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

Vermont

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 11.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,200	\$ 43,600	\$1,250,000
Taxes as a Share of Income	8.2%	9.4%	7.5%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax at 32%
- ✓ Middle Class / Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Nonrefundable Child and Dependent Care Credit offered modeled after the federal credit.

Anti-Poverty Tax Policies to Consider:

- Increase Earned Income Tax Credit
- Increase Circuit Breaker Program Benefits
- Make Child and Dependent Care Credit Refundable and Limit to Low-Income Families
- Create a Refundable Low-Income Credit

Virginia

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 10.5%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,100	\$ 46,300	\$1,557,700
Taxes as a Share of Income	8.8%	8.4%	5.2%

Anti-Poverty Tax Policies Offered:

- ✓ Partially Refundable Earned Income Tax Credit at 20%
- ✓ Nonrefundable Low-Income Credit for filers with AGI under the federal poverty line can be taken as an alternative to the EITC

Anti-Poverty Tax Policies to Consider:

- Make Earned Income Tax Credit Fully Refundable and Increase the Credit
- Make Low-Income Credit Refundable
- Create a Low-Income Property Tax Circuit Breaker
- Create a Child-related Credit

Washington

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.3%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 11,000	\$ 49,900	\$1,795,000
Taxes as a Share of Income	17.3%	10.8%	2.6%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 5%
- ✓ Low-Income Sliding Scale Circuit Breaker (For Homeowners, 61+ or Disabled)

Anti-Poverty Tax Policies to Consider:

- Fully fund Earned Income Tax Credit and Increase the Size of Credit
- Expand Circuit Breaker Program to include non-elderly Renters and Homeowners
- Create a Child-related Credit
- Create a Refundable Low-Income Credit

West Virginia

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 17.7%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 8,300	\$ 33,400	\$ 660,300
Taxes as a Share of Income	9.7%	9.3%	6.5%

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
- Alter structure of Low-Income Family Credit to make it Refundable
- Enact an Earned Income Tax Credit
- Create a Child-related credit

Wisconsin

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 12.4%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 12,700	\$ 46,300	\$1,116,000
Taxes as a Share of Income	9.2%	10.6%	6.7%

Anti-Poverty Tax Policies Offered:

- ✓ Refundable Earned Income Tax Credit at 4% for One Child; 14% for Two; 43% for Three
- ✓ Low-Income Multiple Threshold Circuit Breaker (For Homeowners and Renters, All Ages)
- ✓ Nonrefundable, all ages, Low-Income Tax credit offered

Anti-Poverty Tax Policies to Consider:

- Increase Size of Earned Income Tax Credit for Small Families
- Increase Circuit Breaker Program Maximum Benefits
- Make Low-Income Tax Credit Refundable
- Create a Child-related Credit

Wyoming

Total Average State and Local Taxes as a % of Income:

Poverty Rate = 9.8%

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	\$ 13,100	\$ 53,700	\$2,832,200
Taxes as a Share of Income	8.3%	6.1%	1.5%

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 non-elderly Renters and Homeowners

• Enact an Earned Income Tax Credit

• Create a Child-related credit

• Create a Refundable Low-Income Credit

Sources:

¹ Taxes as a Share of Income Results (2007) from ITEP's Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, November 2009: http://www.itepnet.org/state_reports/whopays.php

² State Poverty Rates from US Census Bureau, 2009 American Community Survey: <http://www.census.gov/prod/2010pubs/acsbr09-1.pdf>

³ Information on Circuit Breakers Program from *Property Tax Circuit Breakers: Fair and Cost-Effective Relief for Taxpayers*, The Lincoln Land Institute, 2009: http://www.lincolnlnd.edu/pubs/1569_Property-Tax-Circuit-Breakers

⁴ Information on Child and Dependent Care Credits from *Making Care Less Taxing: Improving State Child and Dependent Care Tax Provisions*, National Women's Law Center, 2006.

* Other information from state Department of Revenue websites