



EARNED INCOME TAX CREDIT

HELP WORKING PARENTS PROVIDE FOR THEIR FAMILIES!

A state refundable Earned Income Tax Credit (EITC) would help more working parents cover their family's basic needs by closing the gap between what they earn and what they need to make ends meet.

FACTS:

- **The EITC gets and keeps people working.** The federal EITC can only be claimed by people who earn income through work. It has increased employment levels and decreased use of welfare assistance among single parents. Research has indicated that state EITCs contribute to even larger increases in workforce participation in states where a credit is available.
- **The EITC is a proven method to keep working families out of poverty.** The federal EITC is credited for keeping more children out of poverty in the United States than any other program. In Kentucky alone, it kept 60,000 children above the poverty line from 2010 through 2012. EITC recipients work and pay taxes – a state EITC would keep even more working families above the poverty line.
- **The EITC is most often used as a temporary support.** Three out of five recipients claim the federal EITC for only one or two years. The EITC is a good way to help families that experience temporary job loss, reduced hours, or reduced pay to stay on their feet.
- **A state EITC would improve outcomes for Kentucky's children.** Research shows a direct link between families receiving additional income through the federal EITC and improvement in children's math and reading comprehension, as well as increasing their work and income when they become adults. State EITCs are also correlated with healthier babies and better outcomes across the course of children's lives.
- **A state EITC would make Kentucky's tax system fairer.** Kentuckians making an average of \$36,400 currently pay a larger share of their income in taxes than those making an average of \$759,000. A state EITC in Kentucky would help low- and middle-income working Kentuckians keep more of their hard-earned money.
- **State EITCs are a small investment that can make a big difference in the lives of working families.** Half of states in the U.S. have gone beyond the federal credit and created a state EITC, because it helps people who work hard meet their basic needs, support their families and stay off welfare.

For more information, contact Stephen Lin with Kentucky Youth Advocates at slin@kyyouth.org.

EITC Returns by County, Tax Year 2012

County	Average Federal EITC Return	EITC Claims as a Percent of All Filers	Estimated Average State EITC Return*	County	Average Federal EITC Return	EITC Claims as a Percent of All Filers	Estimated Average State EITC Return*
Adair	\$2,438	30%	\$366	Lawrence	\$2,454	28%	\$368
Allen	\$2,418	28%	\$363	Lee	\$2,478	34%	\$372
Anderson	\$2,219	20%	\$333	Leslie	\$2,370	31%	\$356
Ballard	\$2,294	21%	\$344	Letcher	\$2,443	29%	\$367
Barren	\$2,391	26%	\$359	Lewis	\$2,431	33%	\$365
Bath	\$2,537	32%	\$381	Lincoln	\$2,350	28%	\$353
Bell	\$2,538	37%	\$381	Livingston	\$2,155	20%	\$323
Boone	\$2,192	15%	\$329	Logan	\$2,385	25%	\$358
Bourbon	\$2,267	23%	\$340	Lyon	\$2,162	18%	\$324
Boyd	\$2,185	23%	\$328	McCracken	\$2,306	21%	\$346
Boyle	\$2,265	23%	\$340	McCreary	\$2,596	42%	\$389
Bracken	\$2,373	24%	\$356	McLean	\$2,249	21%	\$337
Breathitt	\$2,418	35%	\$363	Madison	\$2,232	22%	\$335
Breckinridge	\$2,320	24%	\$348	Magoffin	\$2,523	33%	\$378
Bullitt	\$2,186	18%	\$328	Marion	\$2,400	25%	\$360
Butler	\$2,386	25%	\$358	Marshall	\$2,156	18%	\$323
Caldwell	\$2,318	25%	\$348	Martin	\$2,647	31%	\$397
Calloway	\$2,204	21%	\$331	Mason	\$2,314	25%	\$347
Campbell	\$2,164	16%	\$325	Meade	\$2,366	23%	\$355
Carlisle	\$2,340	24%	\$351	Menifee	\$2,446	34%	\$367
Carroll	\$2,376	25%	\$356	Mercer	\$2,239	21%	\$336
Carter	\$2,358	29%	\$354	Metcalfe	\$2,464	31%	\$370
Casey	\$2,355	32%	\$353	Monroe	\$2,474	28%	\$371
Christian	\$2,647	31%	\$397	Montgomery	\$2,399	26%	\$360
Clark	\$2,341	23%	\$351	Morgan	\$2,461	30%	\$369
Clay	\$2,708	40%	\$406	Muhlenberg	\$2,288	24%	\$343
Clinton	\$2,458	34%	\$369	Nelson	\$2,205	21%	\$331
Crittenden	\$2,165	22%	\$325	Nicholas	\$2,257	29%	\$339
Cumberland	\$2,333	32%	\$350	Ohio	\$2,365	24%	\$355
Daviess	\$2,215	21%	\$332	Oldham	\$2,113	11%	\$317
Edmonson	\$2,265	26%	\$340	Owen	\$2,334	25%	\$350
Elliott	\$2,648	32%	\$397	Owsley	\$2,386	40%	\$358
Estill	\$2,435	31%	\$365	Pendleton	\$2,364	22%	\$355
Fayette	\$2,120	18%	\$318	Perry	\$2,314	31%	\$347
Fleming	\$2,332	26%	\$350	Pike	\$2,260	25%	\$339
Floyd	\$2,466	31%	\$370	Powell	\$2,503	33%	\$375
Franklin	\$2,228	20%	\$334	Pulaski	\$2,294	27%	\$344
Fulton	\$2,475	33%	\$371	Robertson	\$2,397	26%	\$360
Gallatin	\$2,376	25%	\$356	Rockcastle	\$2,369	29%	\$355
Garrard	\$2,348	25%	\$352	Rowan	\$2,179	26%	\$327
Grant	\$2,358	25%	\$354	Russell	\$2,372	29%	\$356
Graves	\$2,385	25%	\$358	Scott	\$2,281	18%	\$342
Grayson	\$2,391	29%	\$359	Shelby	\$2,264	18%	\$340
Green	\$2,395	28%	\$359	Simpson	\$2,341	24%	\$351
Greenup	\$2,289	23%	\$343	Spencer	\$2,096	14%	\$314
Hancock	\$2,229	17%	\$334	Taylor	\$2,366	26%	\$355
Hardin	\$2,295	23%	\$344	Todd	\$2,423	25%	\$363
Harlan	\$2,484	33%	\$373	Trigg	\$2,203	22%	\$330
Harrison	\$2,182	22%	\$327	Trimble	\$2,260	21%	\$339
Hart	\$2,353	30%	\$353	Union	\$2,152	21%	\$323
Henderson	\$2,277	22%	\$342	Warren	\$2,280	22%	\$342
Henry	\$2,231	22%	\$335	Washington	\$2,319	22%	\$348
Hickman	\$2,302	25%	\$345	Wayne	\$2,393	32%	\$359
Hopkins	\$2,262	22%	\$339	Webster	\$2,123	21%	\$318
Jackson	\$2,343	34%	\$351	Whitley	\$2,615	35%	\$392
Jefferson	\$2,227	21%	\$334	Wolfe	\$2,421	35%	\$363
Jessamine	\$2,325	23%	\$349	Woodford	\$2,148	16%	\$322
Johnson	\$2,424	28%	\$364	Total	\$2,300	23%	\$345
Kenton	\$2,197	18%	\$330				
Knott	\$2,482	32%	\$372				
Knox	\$2,698	36%	\$405				
LaRue	\$2,350	24%	\$353				
Laurel	\$2,402	30%	\$360				

*Estimated at 15% of Federal EITC.

Source: Calculations by Kentucky Youth Advocates based on data from the Brookings Institution EITC Interactive.