Enacting A State EITC: Because Kentucky’s Children Can’t Wait

The problem:
Nearly half of all Kentucky kids live in lower-income families. 1

The opportunity:
A Kentucky Earned Income Tax Credit would help lower-income parents cover basic needs for their children while reinvesting money in their local economy.

Here’s How:

The EITC is a temporary work support.

• Most recipients only collect the credit for 1-2 years, just long enough to give them the financial stability they need to move away from public benefits and afford things like early education and health care to improve the quality of life for their children.

It improves children’s chances of success.

• The EITC is linked to healthier infant birthweights and higher educational attainment among children of recipients, improving their chances of success as adults. 2

The EITC generates economic activity.

• Most EITC recipients spend the credit on local businesses, paying for things like groceries and car repairs.

• The federal EITC injects $966 million into KY’s economy. 3 A state EITC at just 15% of the federal credit would bring an additional $145 million.

Nearly one in every four KY tax filers would benefit from a state EITC.

• 23%3 of KY tax filers

AND

• 439,000 children

would benefit from a state EITC. 4

Enacting a state EITC would help keep Kentucky’s children out of poverty by supporting their working parents.

Learn more at kyyouth.org

Sources: