Enact a State Earned Income Tax Credit
To Help Working Families Make Ends Meet

A state-level refundable Earned Income Tax Credit (EITC) would help working families meet the basic needs of their children and build on the positive gains the federal EITC has shown in reducing poverty, reducing reliance on government supports, and improving child well-being. EITC recipients typically spend their returns at local businesses, thereby benefitting local economies.

EITCs benefit children, families, and local economies:

EITCs get people working and are used temporarily as families rise out of poverty
An EITC can only be claimed by people who earn income through work, and a state EITC would build upon the success of the federal EITC, which has kept more children out of poverty in the United States than any other program. The federal EITC has increased employment levels and decreased use of government assistance among parents, and state-level EITCs in other states have led to greater workforce participation. EITCs help families that experience temporary job loss or reduced hours stay on their feet; three out of five recipients claim the federal EITC for only one or two years.

A state EITC would improve outcomes for 442,000 Kentucky children
Research shows a link between the federal EITC and improvement in children's math and reading comprehension, as well as increased income when those children become adults. In states with state-level EITCs, we see healthier babies and better outcomes across the course of children's lives.

A state EITC would return millions of dollars into Kentucky's economy
The federal EITC injects $968 million into Kentucky's economy. A state-level EITC at just 15 percent of the federal credit would inject an additional $145 million in local economies and businesses.

Blueprint for Kentucky's Children Solution:

Enact a state refundable Earned Income Tax Credit to help more working parents cover their family's basic needs.

BLUEPRINT for KENTUCKY'S CHILDREN

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