STATE TAX CODES AS POVERTY FIGHTING TOOLS

2017 Update on Four Key Policies in All 50 States

Institute on Taxation and Economic Policy

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Introduction

The share of Americans living in poverty has decreased for the second consecutive year, according to data released this month by the U.S. Census Bureau. In 2016, the national poverty rate was 12.7 percent – down 0.8 percentage points from the previous year.[1] Paired with gains in median household income and insurance coverage, 2016 marks the first year on record, with data going back to 1988, that all three measures of poverty showed improvements. But the 2016 poverty rate is still not statistically different from 2007, before the Great Recession. The 2016 measure translates to over 40.6 million – nearly 1 in 8 – Americans living in poverty. The poverty rates declined in 24 states between 2015 and 2016, held steady in others, and increased only in Vermont.[2]

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 8.2 million people out of poverty decreasing the supplemental poverty rate from 16.5 to 13.9 percent. [3]

And, thanks in large part to those credits, the supplemental poverty rate for children is actually lower than their official poverty rate (15.1 compare to 18 percent).

2017 Developments in State Anti-Poverty Tax Policy

Forward Steps Taken to Address Poverty

- **California** expanded the EITC to include taxpayers with earnings from self-employment income and increased income eligibility levels to $22,300 for married filing jointly and $15,010 for single filers.
- **Colorado** extended their child care expense tax credit for 3 years through 2021.
- **Hawaii** adopted a nonrefundable EITC at 20% of the federal credit and made permanent temporary expansions to the personal income tax credit for food.
- **Illinois** increased its EITC from 10% to 14% of the federal credit in 2017 and 18% in 2018.
- **Kansas** phased in a restoration of the child tax credit to the level before it was eliminated in 2012. Residents can claim 12.5% of the federal credit in 2018, 18.75% in 2019, and 25% in 2020.
- **Minnesota** residents with federal adjusted gross income up to $74,000 can now qualify for the child and dependent care credit in 2017 (though value of credit begins to phase-out above $50,000). And beginning in 2019, taxpayers aged 21-25 without children will be eligible for the state's EITC.
- **Montana** adopted a refundable state EITC at 3% of the federal credit (effective 2019).
- **Oregon** residents who are nonmarried 21-25 year olds seeking employment or with student status can claim the state's version of the federal dependent care expense credit beginnin in 2018.
- **South Carolina** adopted a nonrefundable state EITC at 125% of the federal level

Backward Steps Taken

- **Missouri's** governor vetoed a bill authorizing the continuation of the state's property tax circuit breaker

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

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[1] Semega, Jessica L., Kayla R. Fontenot, and Melissa A. Kollar, "Income and Poverty in the United States: 2016," U.S. Census Bureau, September 12, 2017

[2] U.S. Census Bureau, American Community Survey 2016

[3] Fox, Liana, "The Supplemental Poverty Measure: 2016," U.S. Census Bureau, September 2016

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 twenty 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 9.4 percent of their incomes toward those taxes. But when it comes to the wealthiest one percent, ITEP found they paid an average of just 5.4 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 2016, and offers recommendations that every state should consider to help families rise out of poverty. States can jump-start 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.

STATE TAX STRATEGIES FOR REDUCING POVERTY

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 $14,04 in 2017, families with three or more children will receive a tax credit equal to 45 percent of those earnings, up to a maximum credit of $6,318. 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 $48,340 if the head of household is single and $53,930 if married. For taxpayers without children, the credit is much less generous: the maximum credit is $510 and singles earning more than $15,010 (or $20,600 for married couples without children) are ineligible.

In 2017, more than half of the states (twenty-nine states and the District of Columbia- see Appendix A) offer state Earned Income Tax Credits based on the federal EITC. Calculating a state EITC as a percentage of the federal credit makes the credit easier for state taxpayers to claim (since they have already calculated the amount of their federal credit) and easier for state tax administrators to monitor. However, states vary dramatically in the generosity of their credits. The highest state credit, provided by the District of Columbia, amounts to 40 percent of the federal credit (100 percent for workers without children), while seven states have credits worth less than 10 percent of the federal credit.

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 3 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. In 2016, New Jersey and Rhode Island once again boosted their state credits. And, state lawmakers continued to build on these successes in 2017 when a refundable credit was adopted in Montana and nonrefundable credits in Hawaii and South

Carolina.

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 2016, 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. Oklahoma lawmakers converted the state's 5 percent refundable EITC to a nonrefundable credit this year. As a result, non-refundability will eliminate EITC benefits for 130,000 households and reduce benefits by an average of roughly $150 a year for 70,000 low-income Oklahoman households.

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 7.5 million low-income workers without children, federal and state taxes force them into or deeper into poverty.[4] 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, DC, 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. 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

[4] "Childless Adults Are Lone Group Taxed Into Poverty: Expanding Earned Income Tax Credit Would Address Problem." Center on Budget and Policy Priorities (CBPP). April 19, 2016. http://www.cbpp.org/research/federal-tax/childless-adults-are-lone-group-taxed-into-poverty

federal expansions are immediately passed on to the states.

2017 EITC Developments in the States

- **California** expanded the EITC to include taxpayers with earnings from self-employment income and increased eligibility levels to $22,300 for married filing jointly and $15,010 for single filers.

- **Hawaii** adopted a nonrefundable EITC at 20% of the federal credit

- **Illinois** increased its EITC from 10% to 14% of the federal credit in 2017 and 18% in 2018.

- **Montana** adopted a refundable state EITC at 3% of the federal credit (effective 2019).

- **South Carolina** adopted a nonrefundable state EITC at 125% of the federal level

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 2017."

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 2016 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.

2017 State Property Tax Circuit Breaker Developments

- **Missouri’s** governor vetoed a bill authorizing the continuation of the state's property tax circuit breaker. The legislature may vote to override the veto when they return to session in September 2017.

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 2017.”]

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.

2017 State Low-Income Tax Credit Developments

- **Hawaii** made permanent temporary expansions to the personal income tax credit for food.

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 2017."

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 is 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.

Four states currently offer a much smaller version of the child tax credit for qualifying families (Colorado will join this list contingent on Congress passing a law to allow states to force out-of-state online retailers to collect and remit sales taxes-see Appendix D). These per-child credits are an important anti-poverty strategy, especially if they are refundable and limited by income. 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.

Child and Dependent Care Credits: Low- and middle-income working parents spend an increasingly significant portion of their income on child care. For example, in 2015, a Hawaii resident making the state minimum wage would need to set aside 9 months of his or her full-time earnings to pay for a single year of infant care. And across the country, child care for a 4-year-old exceeds the cost of college tuition in nearly half of the states.[5] As you can imagine, this high cost of care could drive many parents to stay home rather than reenter the workforce.

The federal government allows a nonrefundable income tax credit to help offset child care expenses. In 2016, 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.

The majority of the 22 states (including DC - See Appendix D) that offer a credit for child care expenses model their state credit on 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

[5] "High Quality Child Care is Out of Reach for Working Families," Economic Policy Institute. October 6, 2015. http://www.epi.org/publication/child-care-affordability/

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.

2017 Child-Related Tax Credit Developments

- **Colorado** extended their child care expense tax credit for 3 years through 2021.

- **Kansas** phased in a restoration of the child tax credit to the level before it was eliminated in 2012. Residents can claim 12.5% of the federal credit in 2018, 18.75% in 2019, and 25% in 2020.

- **Minnesota** residents with federal adjusted gross income up to $74,000 can now qualify for the child and dependent care credit in 2017 (though value of credit begins to phase-out above $50,000). And beginning in 2019, taxpayers aged 21-25 without children will be eligible for the state's EITC.

- **Oregon** residents who are nonmarried, aged 21-25, and seeking employment or students can claim the state's version of the federal dependent care expense credit beginning in 2018.

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 2017."

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.

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

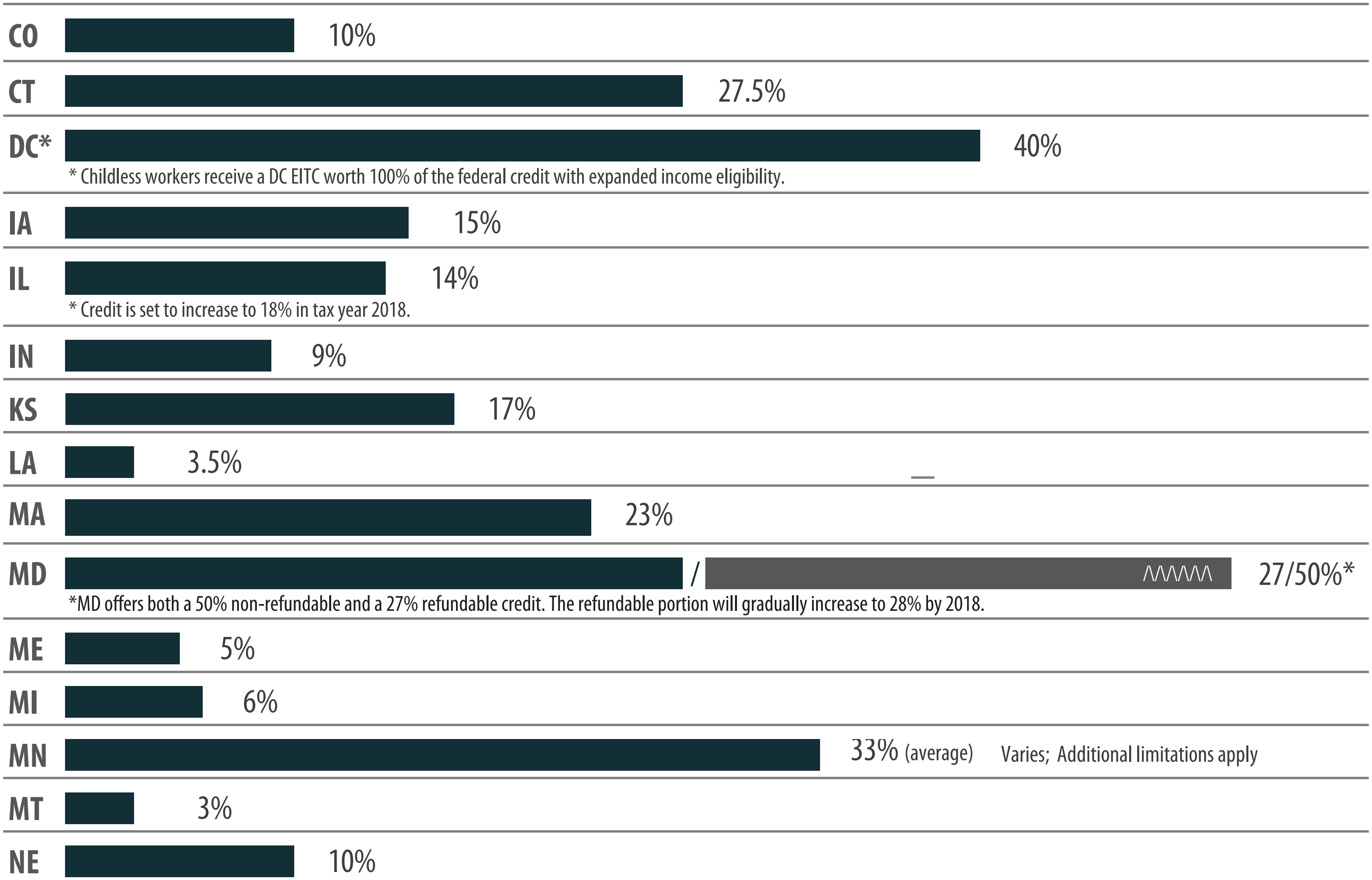
Many American families continue to live in poverty, struggling to get by, and many state tax systems across the country do too little to offer the assistance low-income families need. In fact, regressive state tax structures can push families even deeper into poverty. State lawmakers have a responsibility 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 a 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.

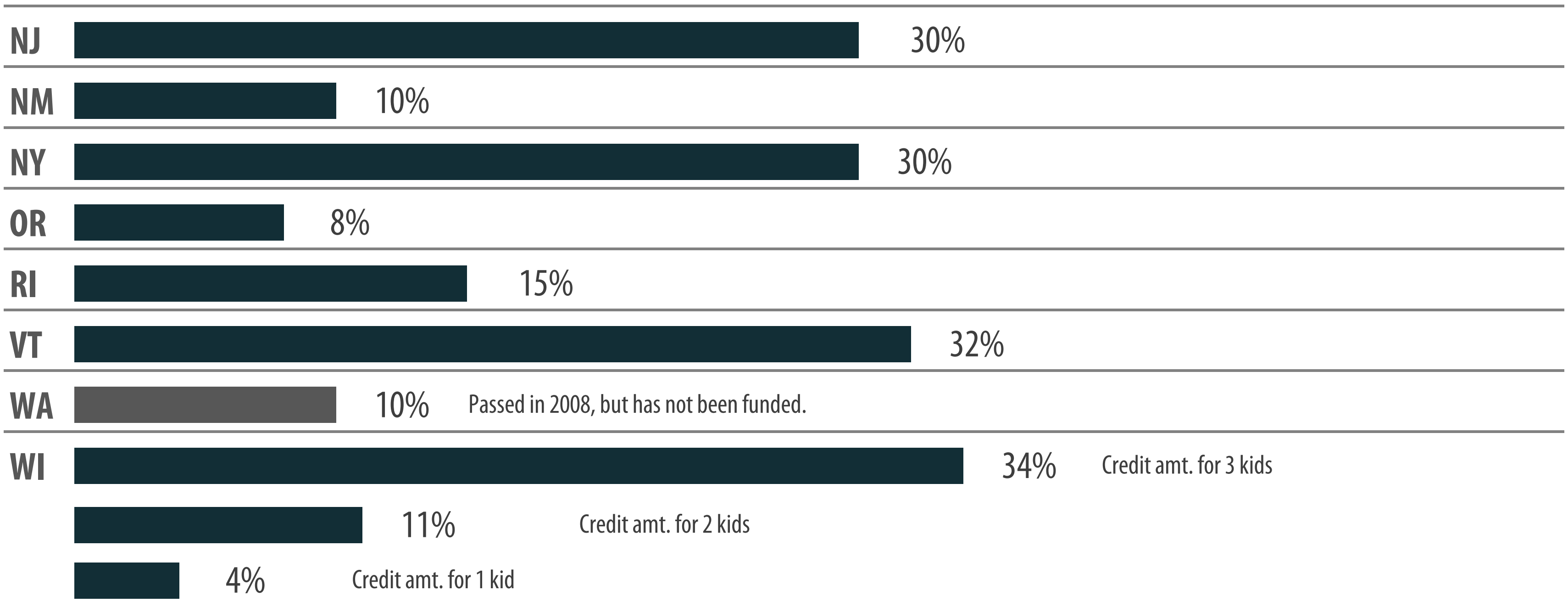
Appendix: A State EITCs in 2017

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.

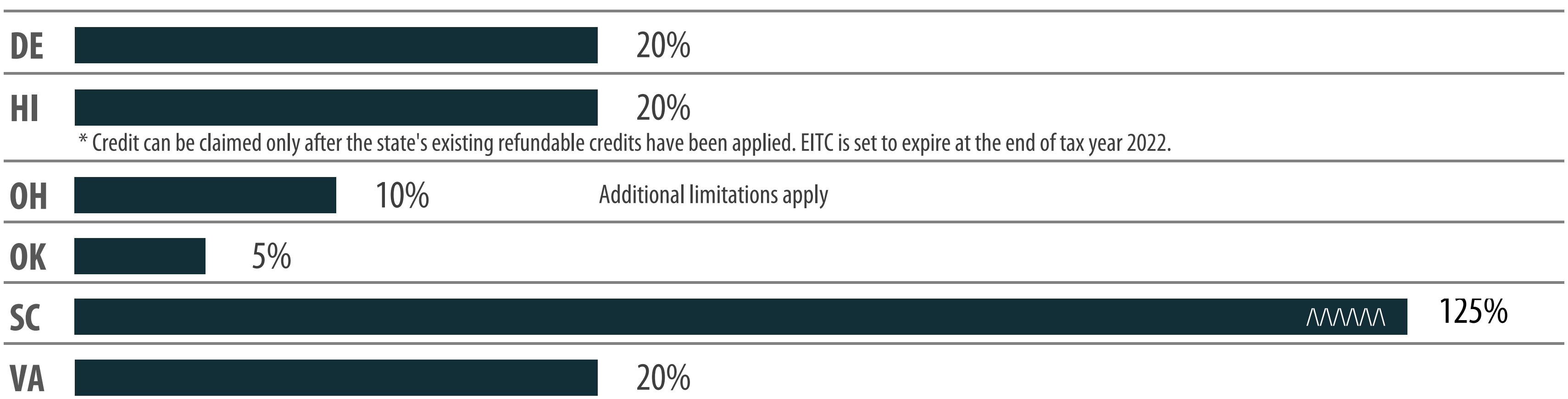
CA The maximum credit equals 85% of the federal; the percentage is set annually through the budget process. The credit includes those with self-employment income and phases out for single, childless workers earning over $6,718 and over $22,300 for married couples with two or more children.





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 2017

State	Age Requirements	Covers Renters?	Approach
AZ	65+	YES	Income based only
CA	62+	Renters only	Income based only
CO	65+	YES	Income based only
CT	65+	YES	Income based only
DC	All Ages; Sep. Elderly Program	YES	Circuit Breaker
HI	All Ages; Doubled for Elderly	Renters only	Income based only
IA	65+	YES	Income based only
ID	65+	NO	Income based only
KS	55+, disabled/ dep. 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, Elderly only	Circuit Breaker
NH	All Ages	NO	Income based only
NJ	All Ages	NO	Circuit Breaker
NM	65+	YES	Circuit Breaker
NY	All Ages; Sep. Elderly Program	NO	Income based only
ND	65+	YES	Income based only
OK	65+	NO	Circuit Breaker
OR	58+	Renters only	Circuit Breaker
PA	65+	YES	Income based only
RI	65+	YES	Circuit Breaker
SD	65+	NO	Income based only
UT	65+	YES	Income based only
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 Credits in 2017

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 2017

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 $60K
DC	Nonrefundable 32% of federal credit
DE	Nonrefundable 50% of federal credit
GA	Nonrefundable 30% of federal credit
HI	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	Nonrefundable 20% of federal credit
LA	Portion of credit is refundable; percent of credit varies on FAGI
MD	Capped nonrefundable credit; percent of credit varies on FAGI
ME	Refundable credit based on federal credit, percentage varies on service provider
MN	Capped refundable credit; limited to taxpayers with income under $39,400
NE	Partially refundable; percentage of credit varies on FAGI
NM	Capped refundable 40% of federal credit; limited to taxpayers with income under $31,160
NY	Uncapped 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 capped credit or child tax credit modeled after the federal (both credits are nonrefundable and income limited)
OR	Refundable Working Family Child Care Credit and capped nonrefundable credit based on federal credit; % varies on federal taxable income ; limited to taxpayers with income below $45K
RI	Nonrefundable 25% of federal credit
SC	Nonrefundable 7% of federal credit
VT	Nonrefundable 24% of federal credit; additional refundable low-income credit is allowed; limited to taxpayers with income under $40K

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

State Child Credits

State	Description of Credit
CA	Nonrefundable income limited Dependent Exemption Credit ($315/dependent) higher than state's Personal Exemption Credit ($102/filer)
OK	Offers choice between child tax credit modeled after the federal credit and dependent care credit (both credits are nonrefundable and income limited)
NY	Refundable income limited per child tax credit modeled after the federal credit
NC	Nonrefundable income limited $100 per child tax credit ($125 for filers with income under $40,000)

Notes:
CO will add a refundable Child Tax Credit as a share of the federal credit (dep. on AGI) contingent on revenue from the passage of the Marketplace Fairness Act

APPENDIX E: Poverty Mitigating Tax Policies in 2017, State-by-State

Alabama

2016 poverty rate = 17.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,000	$35,600	$1,050,400
Taxes as a Share of Income	**10.0%**	**9.5%**	**3.8%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Alaska

2016 poverty rate = 9.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$15,000	$52,100	$1,289,700
Taxes as a Share of Income	**7.0%**	**4.5%**	**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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Arizona

2016 poverty rate = 16.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,100	$42,000	$1,239,400
Taxes as a Share of Income	**12.5%**	**9.2%**	**4.6%**

Anti-Poverty Tax Policies Offered:

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

> Targeted, nonrefundable and all ages, "Family Tax Credit"

> Targeted, refundable and all ages, "Excise Tax Credit"

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Arkansas

2016 poverty rate = 17.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,600	$36,500	$909,100
Taxes as a Share of Income	**11.9%**	**11.4%**	**5.6%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

California

2016 poverty rate = 14.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,900	$48,600	$1,966,700
Taxes as a Share of Income	**10.5%**	**8.2%**	**8.7%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit targeted to working families and individuals with very low earnings

> Low-Income quasi-Circuit Breaker (For Homeowners and Renters, 62+ or Disabled)

> Low-Income Renters credit available

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

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

Anti-Poverty Tax Policies to Consider

> Fully Fund Circuit Breaker Program; Expand Program to Include Homeowners and Renters of All Ages; Raise Maximum Benefits

> Create a Refundable Low-Income Credit

> Make Child and Dependent Care credit refundable

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Colorado

2016 poverty rate = 11.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,300	$51,300	$1,779,900
Taxes as a Share of Income	**8.4%**	**8.1%**	**4.6%**

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 Child Tax Credit (currently unfunded)

Anti-Poverty Tax Policies to Consider

> Fully Fund the Earned Income Credit

> Expand Circuit Breaker program to Include Homeowners and Renters of All Ages; Raise Maximum Benefits

> Create a Refundable Low-Income Credit

> Fully Fund the Child tax credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Connecticut

2016 poverty rate = 9.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,000	$59,600	$3,822,000
Taxes as a Share of Income	**10.5%**	**10.7%**	**5.3%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 30% (remains temporarily reduced at 27.5%)

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

Anti-Poverty Tax Policies to Consider

> Restore and Increase state EITC

> Expand Circuit Breaker program 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Delaware

2016 poverty rate = 11.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,300	$44,300	$1,225,500
Taxes as a Share of Income	**5.5%**	**5.3%**	**4.8%**

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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

District of Columbia

2016 poverty rate = 18.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,600	$52,100	$2,840,300
Taxes as a Share of Income	**5.6%**	**10.3%**	**6.4%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 40%(100% expanded EITC for childless workers as of 2015).

> 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

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Florida

2016 poverty rate = 14.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,700	$37,700	$2,075,100
Taxes as a Share of Income	**12.9%**	**8.5%**	**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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Georgia

2016 poverty rate = 16.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,000	$38,700	$1,179,200
Taxes as a Share of Income	**10.4%**	**9.4%**	**5.0%**

Anti-Poverty Tax Policies Offered:

> Nonrefundable, all ages, Low-Income Credit offered

> 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

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Hawaii

2016 poverty rate = 9.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,100	$42,100	$811,300
Taxes as a Share of Income	**13.4%**	**11.4%**	**7.0%**

Anti-Poverty Tax Policies Offered:

> Refundable, all ages, Low-Income Credit offered to assist in offsetting food and excise taxes (temporarily expanded the state's food sales tax rebate)

> Refundable Child and Dependent Care Credit offered

> Refundable income limited credit for renters

> Nonrefundable Earned Income Tax Credit at 20%

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

> Introduce a Refundable Earned Income Tax Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Idaho

2016 poverty rate = 14.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,500	$42,500	$1,045,200
Taxes as a Share of Income	**8.5%**	**7.6%**	**6.4%**

Anti-Poverty Tax Policies Offered:

> Low-Income quasi-Circuit Breaker (For Homeowners 65+)

> 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

> Introduce a Refundable Earned Income Tax Credit
> Create a Child-related Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Illinois

2016 poverty rate = 13.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$49,500	$1,826,400
Taxes as a Share of Income	**13.2%**	**10.8%**	**4.6%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 14% in 2017 and 18% in 2018

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Indiana

2016 poverty rate = 14.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$44,500	$945,000
Taxes as a Share of Income	**12.0%**	**10.8%**	**5.2%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 9%/uncoupled from federal improvements to the credit

> Refundable, elderly only, Low-Income Credit offered

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 benefit

> Create a Low-Income Property Tax Circuit Breaker

> Create a Child-related Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Iowa

2016 poverty rate = 11.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,600	$50,500	$955,900
Taxes as a Share of Income	**10.4%**	**9.7%**	**6.0%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 15%

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> 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

> Expand Circuit Breaker Program to Homeowners and Renters of All Ages; Increase Maximum Benefits

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Kansas

2016 poverty rate = 12.1%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$47,700	$1,191,700
Taxes as a Share of Income	**11.1%**	**9.5%**	**3.6%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 17%

> Low-Income Sliding Scale Circuit Breaker (For Homeowners, 55+, Disabled, Or With Dependent Under 18)

> Low-income nonrefundable food tax credit

> Child and Dependent Care Credit at 12.5% in 2018, 18.75% in 2019, and 25% in 2020

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 food tax credit refundable

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Kentucky

2016 poverty rate = 18.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,100	$38,300	$839,500
Taxes as a Share of Income	**9.0%**	**10.8%**	**6.0%**

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

> Introduce a Refundable Earned Income Tax Credit

> Create a Low-Income Property Tax Circuit Breaker

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Louisiana

2016 poverty rate = 20.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$40,700	$1,225,800
Taxes as a Share of Income	**10.0%**	**9.5%**	**4.2%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 3.5%

> Partially Refundable Child and Dependent Care Credit offered modeled after the federal credit

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Expand Child and Dependent Care Credit to Include Children Over the Age of 5 and make the credit Refundable

> Create a Low-Income Property Tax Circuit Breaker

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Maine

2016 poverty rate = 12.5%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,200	$42,100	$813,600
Taxes as a Share of Income	**9.4%**	**9.4%**	**7.5%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 5%

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

> Refundable Child and Dependent Care Credit offered

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

Anti-Poverty Tax Policies to Consider

> Increase the percentage of the Earned Income Tax Credit

> Enhance Circuit Breaker Program; Increase Maximum Credit

> Make Child and Dependent Care Credit Fully Refundable

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Maryland

2016 poverty rate = 9.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,100	$54,300	$1,590,700
Taxes as a Share of Income	**9.7%**	**10.3%**	**6.7%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 25% (increasing to 28% by 2018); Nonrefundable up to 50%

> Low- and Middle- 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

> Nonrefundable "State Poverty Level Credit" offered

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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Massachusetts

2016 poverty rate = 10.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,400	$56,400	$2,560,300
Taxes as a Share of Income	**10.4%**	**9.3%**	**4.9%**

Anti-Poverty Tax Policies Offered:

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

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

Anti-Poverty Tax Policies to Consider

> 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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Michigan

2016 poverty rate = 15.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,500	$44,000	$1,164,700
Taxes as a Share of Income	**9.2%**	**9.2%**	**5.1%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit at 6%

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

Anti-Poverty Tax Policies to Consider

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

> Increase Circuit Breaker Program Benefits/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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Minnesota

2016 poverty rate = 9.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,200	$55,400	$1,636,000
Taxes as a Share of Income	**8.8%**	**9.6%**	**7.5%**

Anti-Poverty Tax Policies Offered:

> Refundable Earned Income Tax Credit, structured differently from the federal credit, average rate is 33%

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

> Refundable Child and Dependent Care Credit offered

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

> Enhance Circuit Breaker Program

> Create a Refundable Low-Income Credit

> Create a Child-related credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Mississippi

2016 poverty rate = 20.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,700	$33,100	$736,800
Taxes as a Share of Income	**10.4%**	**10.6%**	**5.3%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Missouri

2016 poverty rate = 14.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,800	$42,300	$1,088,200
Taxes as a Share of Income	**9.5%**	**9.0%**	**5.5%**

Anti-Poverty Tax Policies Offered

> NONE

Anti-Poverty Tax Policies to Consider

> Reinstate Circuit Breaker Program to Renters and Homeowners of All Ages; Increase Maximum Benefits

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Montana

2016 poverty rate = 13.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,500	$42,300	$1,047,500
Taxes as a Share of Income	**6.1%**	**6.4%**	**4.7%**

Anti-Poverty Tax Policies Offered

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

> Refundable Earned Income Tax Credit at 3%

Anti-Poverty Tax Policies to Consider

> Expand Circuit Breaker Program to Renters and Homeowners of All Ages; Increase Maximum Benefits

> Increase Earned Income Tax Credit

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Nebraska

2016 poverty rate = 11.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,900	$48,900	$1,332,500
Taxes as a Share of Income	**10.9%**	**10.3%**	**6.3%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10%

> Low-Income 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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Nevada

2016 poverty rate = 13.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%

Average Income in Group	$12,900	$40,000	$1,654,800
Taxes as a Share of Income	**8.4%**	**6.6%**	**1.4%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

New Hampshire

2016 poverty rate = 7.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$15,600	$55,900	$1,311,200
Taxes as a Share of Income	**8.3%**	**6.6%**	**2.6%**

Anti-Poverty Tax Policies Offered

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

Anti-Poverty Tax Policies to Consider

> Expand Circuit Breaker Program to Renters

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

New Jersey

2016 poverty rate = 10.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,200	$55,800	$2,063,700
Taxes as a Share of Income	**10.7%**	**9.1%**	**7.1%**

Anti-Poverty Tax Policies Offered

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

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

Anti-Poverty Tax Policies to Consider

> Expand Circuit Breaker for all ages

> Create a Child-related Credit

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

New Mexico

2016 poverty rate = 19.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,400	$37,600	$822,600
Taxes as a Share of Income	**10.9%**	**9.9%**	**4.8%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 10%

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

Anti-Poverty Tax Policies to Consider

> Increase Earned Income Tax Credit

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

> Refundable income limited Child and Dependent Care Credit offered based on the federal credit

> Refundable, all ages, Low-Income Credit offered to assist in offsetting state and local taxes

> Increase Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

New York

2016 poverty rate = 14.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,500	$46,300	$2,720,900
Taxes as a Share of Income	**10.4%**	**12.0%**	**8.1%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 30% (additional refundable 5% credit in NYC) and enhanced State EITC for Certain Non-Custodial Parents

> Very limited Low-Income quasi-Circuit Breaker (For Homeowners and Renters, All Ages); Refundable income-based property tax credit for homeowners (benefits of which will be phased-in over four years and are unavailable to homeowners living in NYC and non-property tax compliant jurisdictions)

> 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

> Nonrefundable, all ages, Low-Income Credit offered

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

> Extend property tax credit to renters

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

North Carolina

2016 poverty rate = 15.4%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,700	$38,300	$969,100
Taxes as a Share of Income	**9.2%**	**9.2%**	**5.3%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

North Dakota

2016 poverty rate = 10.7%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$17,900	$60,600	$1,523,700
Taxes as a Share of Income	**9.3%**	**7.5%**	**3.0%**

Anti-Poverty Tax Policies Offered

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

Anti-Poverty Tax Policies to Consider

> Increase Size of Circuit Breaker Credit and Expand to All Renters and Homeowners

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Ohio

2016 poverty rate = 14.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,600	$42,400	$995,900
Taxes as a Share of Income	**11.7%**	**10.3%**	**5.5%**

Anti-Poverty Tax Policies Offered

> 10% nonrefundable, limited Earned Income Tax Credit

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

•Nonrefundable, all ages Low-Income Credit offered

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 Circuit Breaker Property Tax Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Oklahoma

2016 poverty rate = 16.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,300	$42,100	$1,456,600
Taxes as a Share of Income	**10.5%**	**9.4%**	**4.3%**

Anti-Poverty Tax Policies Offered

> Nonrefundable 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

> Expand Earned Income Tax Credit and make it refundable

> Increase Circuit Breaker Credit and expand to renters and homeowners regardless of age

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

> Increase Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Oregon

2016 poverty rate = 13.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,200	$43,500	$952,600

Taxes as a Share of Income	**8.1%**	**7.6%**	**6.5%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 8%

>11% Earned Income Tax Credit for taxpayers with one or more dependent less than 3 years old (Effective 2017)

> 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

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

> Increase Low-Income Child Credit

> Create a Refundable Low-Income Credit for all households

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Pennsylvania

2016 poverty rate = 12.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,600	$48,600	$1,241,600
Taxes as a Share of Income	**12.0%**	**10.3%**	**4.2%**

Anti-Poverty Tax Policies Offered

> Low-Income Quasi-Circuit Breaker (For Homeowners and Renters, 65+, 50+ Widowers, 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Rhode Island

2016 poverty rate = 12.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,300	$47,500	$1,086,100
Taxes as a Share of Income	**12.5%**	**10.5%**	**6.3%**

Anti-Poverty Tax Policies Offered

> 15% refundable EITC

> Low-Income Circuit Breaker for Homeowners and Renters (credit is eliminated for filers under 65 in 2015)

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

Anti-Poverty Tax Policies to Consider

> Increase EITC

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

South Carolina

2016 poverty rate = 15.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%

Average Income in Group	$10,000	$34,800	$937,400
Taxes as a Share of Income	**7.5%**	**7.6%**	**4.5%**

Anti-Poverty Tax Policies Offered

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

> Nonrefundable Earned Income Tax Credit at 125%

Anti-Poverty Tax Policies to Consider

> 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

> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

South Dakota

2016 poverty rate = 13.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,200	$49,900	$1,527,300
Taxes as a Share of Income	**11.3%**	**7.7%**	**1.8%**

Anti-Poverty Tax Policies Offered

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

Anti-Poverty Tax Policies to Consider

> Fully fund Circuit Breaker Program and expand 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Tennessee

2016 poverty rate = 15.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$10,900	$39,600	$1,130,200
Taxes as a Share of Income	**10.9%**	**8.6%**	**3.0%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Texas

2016 poverty rate = 15.6%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,500	$44,900	$1,826,300
Taxes as a Share of Income	**12.5%**	**8.7%**	**2.9%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Utah

2016 poverty rate = 10.2%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$12,200	$46,000	$1,433,900
Taxes as a Share of Income	**8.6%**	**8.5%**	**4.8%**

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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Vermont

2016 poverty rate = 11.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,700	$45,600	$978,400
Taxes as a Share of Income	**8.9%**	**10.5%**	**7.7%**

Anti-Poverty Tax Policies Offered

> Refundable Earned Income Tax Credit at 32%
> Low- and Middle- Income 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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Virginia

2016 poverty rate = 11.0%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,900	$49,100	$1,470,300
Taxes as a Share of Income	**8.9%**	**8.4%**	**5.1%**

Anti-Poverty Tax Policies Offered

•Nonrefundable Earned Income Tax Credit at 20%

•Nonrefundable Low-Income Credit 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

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Washington

2016 poverty rate = 11.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$11,900	$52,800	$1,517,800
Taxes as a Share of Income	**16.8%**	**10.1%**	**2.4%**

Anti-Poverty Tax Policies Offered

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

> Create a Child-related Credit
> Create a Refundable Low-Income Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

West Virginia

2016 poverty rate = 17.9%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$9,600	$36,900	$675,800
Taxes as a Share of Income	**8.7%**	**9.0%**	**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
> Introduce a Refundable Earned Income Tax Credit
> Create a Child-related credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Wisconsin

2016 poverty rate = 11.8%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$13,700	$49,000	$1,130,500
Taxes as a Share of Income	**8.9%**	**10.2%**	**6.2%**

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

Anti-Poverty Tax Policies to Consider

> Increase Size of Earned Income Tax Credit

> Increase Circuit Breaker Program Maximum Benefits

> Make Low-Income Tax Credit Refundable
> Create a Child-related Credit

*The baseline distribution of taxes is from ITEP's 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.

Wyoming

2016 poverty rate = 11.3%

State and Local Taxes as % of Income in 2015*

	Lowest 20%	Middle 20%	Top 1%
Average Income in Group	$14,700	$58,300	$2,997,400
Taxes as a Share of Income	**8.2%**	**5.9%**	**1.2%**

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

> 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 2015 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset.