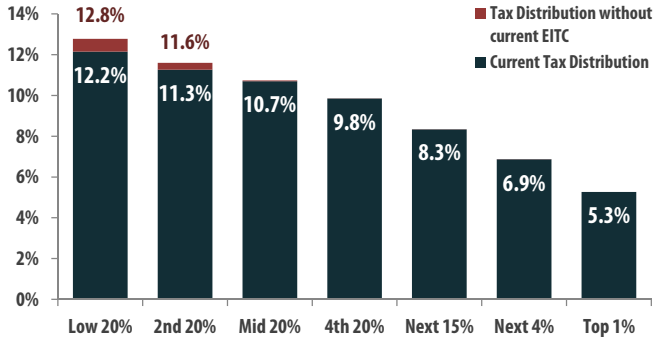


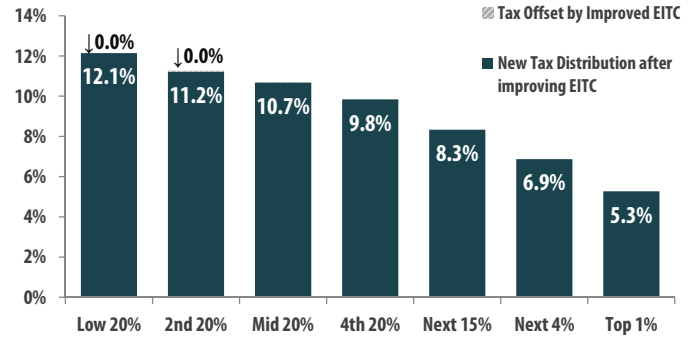
**Current policy:** Fully refundable state EITC worth 9% of the federal EITC as it existed prior to the enhancements enacted as part of ARRA in 2009.

Income Group	Low 20%	2nd 20%	Mid 20%	4th 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$18,000	\$18,000 – \$32,000	\$32,000 – \$53,000	\$53,000 – \$80,000	\$80,000 – \$143,000	\$143,000 – \$331,000	\$331,000 – Or More
Average Income in Group	\$10,300	\$25,300	\$42,800	\$65,000	\$101,700	\$196,000	\$800,300

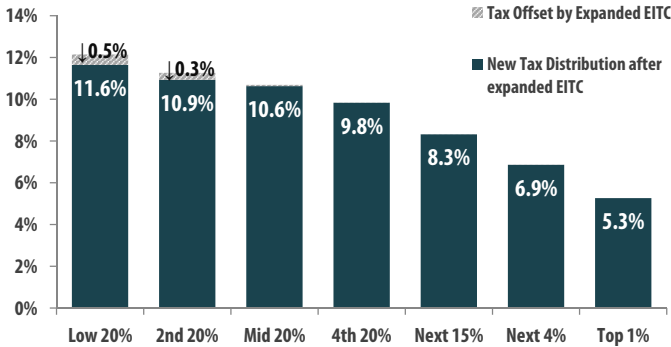
## Current Distribution of Indiana's State & Local Taxes\* (w/EITC impact)



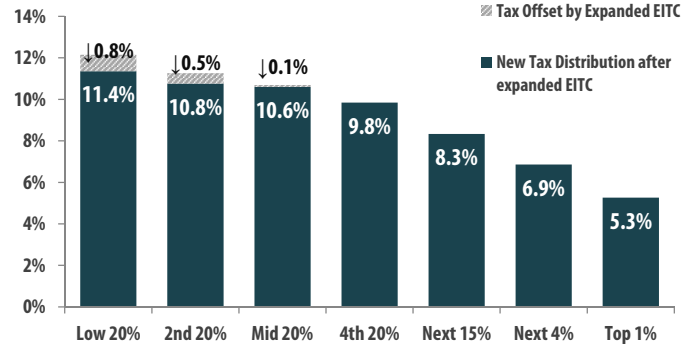
## 1) First Fix: Fully Couple to Expanded Federal EITC (9% Credit)



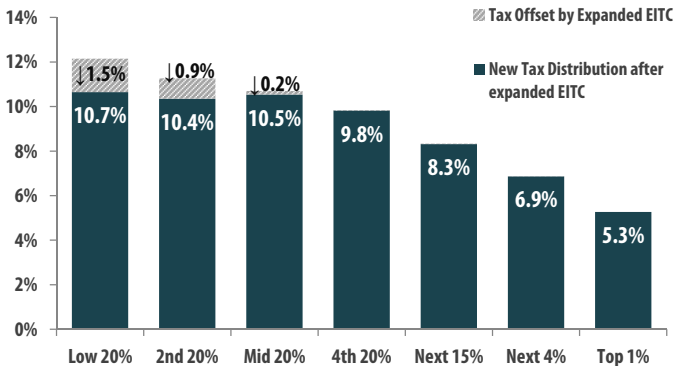
## 2) Couple to Federal; Increase Credit to 16% Refundable



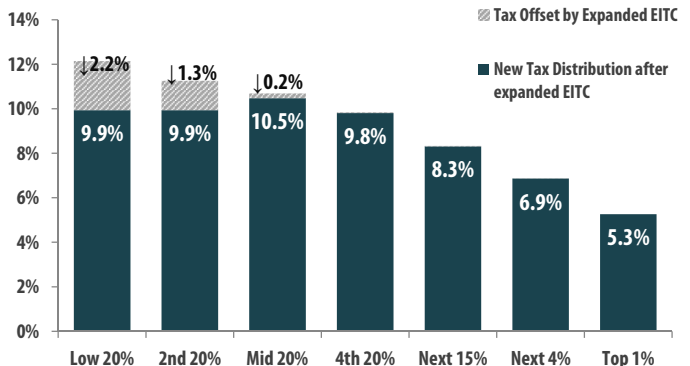
## 3) Couple to Federal; Increase Credit to 20% Refundable



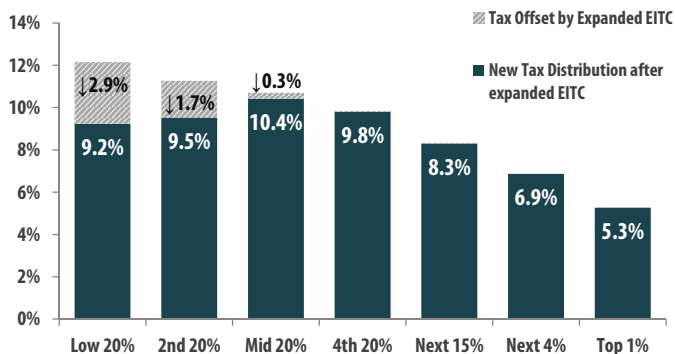
## 4) Couple to Federal; Increase Credit to 30% Refundable



## 5) Couple to Federal; Increase Credit to 40% Refundable



## 6) Couple to Federal; Increase Credit to 50% Refundable



\*The baseline distribution of taxes used in this report has been modified from the published *Who Pays?* results to reflect to personal income tax rate cut (to 3.23%) that will be implemented in Tax Year 2017 and later as a result of legislation enacted in 2013. The figures represent total state and local taxes as a share of income, post-federal offset. Due to rounding, the new tax distributions shown may not always precisely equal the current distribution minus the EITC offset.