



Fix the Glaring Gaps in Tax Credits for Low-Income Working Families

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are two of the most important anti-poverty programs in the country. Together these programs prevent more than 29 million people from falling into, or deeper into, poverty. However, there are two serious gaps in these credits. First, adults not raising children receive a minimal or no EITC, and workers under age 25 are completely excluded from the credit. Second, millions of low-income children cannot access the full CTC. Congress is moving to pass a collection of tax breaks, largely for businesses, before the end of the year. **As Congress considers legislation to extend business tax breaks, it is essential that any tax package also address the glaring gaps in the EITC and CTC for low-income working families.**

- **Fix the EITC to prevent more than 5 million low-wage workers from being taxed into, or deeper into, poverty. Expand the EITC for adults not raising children and workers under age 25.** This group gets little or no EITC while facing significant payroll taxes.
- **Improve the CTC so it doesn't leave out millions of low-income children. Make the credit fully refundable.** Many children currently are shut out of the CTC entirely because their families are too poor to qualify.
- The 2017 tax law increased the CTC to \$2,000 and per child and allowed more wealthy families to claim the credit. At the same time, it prevented 26 million children in low-income families from fully accessing the CTC.
- Studies show children in families claiming the EITC and CTC do better in school, have higher educational attainment, have better health outcomes, and earn more money as adults.

Any package extending tax breaks for businesses must include improvements to the EITC and CTC for low-income working families

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