Extend 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 millions of people from falling into poverty.

However, without congressional action, important improvements to these credits will expire at the end of 2021. Adults not raising children would see their EITC shrink to almost nothing, and workers under age 25 would lose the EITC altogether. And furthermore, if Congress fails to act, the parents of tens of millions of low-income children would no longer be able to access the full CTC, and all families would see their CTC cut dramatically.

We urge Congress to extend the important improvements to the EITC and CTC that were made in the American Rescue Plan.

» Prevent more than 5 million low-wage workers from being taxed into, or deeper into poverty. The American Rescue Plan expanded the EITC for adults not raising children and workers under age 25 until the end of 2021. Prior to that law, this group saw little or no EITC while facing significant payroll taxes.

» Extend the full refundability of the Child Tax Credit. Prior to the American Rescue Plan, the parents of 26 million children couldn’t access the full Child Tax Credit because they didn’t earn enough money. Allowing this provision to expire would significantly cut the CTC for millions of parents who can least afford it.

» Expanding the Child Tax Credit to make it fully available to all families regardless of income and increasing the amount to $3,000 and $3,600 for children under 6 cut child poverty in half. Allowing these expansions expire would double child poverty.

» 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.