Make Work Pay Again: An Argument for Expanding the Earned Income Tax Credit (EITC)

Debipriya Chatterjee

Community Service Society

MAY 2022

THE AUTHOR

Debipriya Chatterjee is the Senior Economist at the Community Service Society of New York (CSS). She works on issues related to employment, poverty, inequality, and economic mobility. She holds a Ph.D. in Economics from Brown University.

ACKNOWLEDGMENTS

The author would like to thank the following individuals who contributed invaluable expertise at various points in the research and development of this report: David Kallick, Jennifer March, and Jonas Shaende. The author also wants to thank Irene Lew and Emerita Torres for providing helpful feedback on the text, and Jesse Kramer, Opal Lynch and Alia Winters for copyediting, designing, and distributing the report.

Cover: Designed using images from Freepik.com
Inside Cover, Pg 7: Craig Adderley, Pexels
Report Design: Opal Lynch

Contents

Executive Summary

The Earned Income Tax Credit (EITC) is the largest and most important means-tested transfer program in the United States. Since its inception in the 1970s, the EITC, a refundable tax credit that works by offsetting workers' income tax liabilities, has proven to be an effective and impactful anti-poverty tool. The federal tax credit is matched by its state- and city-level tax credits in New York, since 1994 and 2004 respectively.

In 2019, over 1.5 million tax filers in New York (approximately 14 percent of all tax filers in the state) received the EITC. These EITC claimants received a total of $3.8 billion in federal EITC and approximately $1 billion in New York State EITC. Of the 1.5 million tax filers in New York State, about 835,000 filers were based in New York City (30 percent of all city-based filers), and they received $91 million in the city-level EITC. The Brookings Institute estimates that around 22 percent of the state's population, including 1.8 million children (43 percent), live in households that file for the EITC. As seen by these figures, about half of the EITC filers reside in the city and the bulk of New York State's share of the EITC goes to New York City residents.

The tax credit program has been shown to have long-lasting beneficial effects on recipients, their children, and their communities. This program, which has enjoyed bipartisan support since its inception, is an especially powerful lever in achieving economic justice: workers from communities of color disproportionately work in jobs that pay a low wage, and the EITC helps to fill a financial gap that these workers face. Federal and state EITCs, by rewarding a larger proportion of working families of color, help lift millions of Black and Latina/o/x households out of poverty and put them on a path of economic security.

As the city and the state embark on an economic recovery, it is prudent and timely to consider how the EITC can be strengthened to ensure that New York's recovery is an equitable and inclusive one. It is imperative that we not overlook hard working New Yorkers in low-paying jobs, many of whom work in sectors that were hit hardest by the pandemic. With that in mind, this report takes a deep dive into the EITC program—the design of the tax credit, its historical arc, the gaps in its reach and implementation—and provides recommendations for improvement. It is encouraging that many of these recommendations have been echoed by city and state elected representatives.

Key Findings

- The EITC is a powerful anti-poverty tool. Nationally, the EITC lifted about 5.6 million people out of poverty in 2018, including about 3 million children. In addition, the EITC reduced poverty among 16.5 million people in 2018.
- The EITC has been shown to encourage work and increase effort. There is a rich literature of studies showing that the EITC improves employment and work hours, especially among single mothers working in jobs that pay low wages.
- The EITC has been shown to improve long-term socio-economic outcomes in recipients' children. When families receive the EITC, their children have better economic, educational, and earnings-related outcomes. The poverty-alleviating effects of the EITC continue as improved physical and mental health, higher educational attainment, and higher earnings.
- The EITC has been shown to contribute to stimulating the local economy. Recipients of the tax credit often spend their tax refunds locally, thus benefitting local businesses and accelerating the pace of economic growth.

Key recommendations

- Expand the EITC refunds at the state and city levels.
- Expand the credit amount available to childless working adults under the EITC.
- Redefine eligibility criteria to extend the EITC to taxpayers filing with a Taxpayer Identification Number (ITIN).

Introduction

The Earned Income Tax Credit (EITC) is the largest and most important means-tested transfer program in the United States. Since its inception in the 1970s, the EITC, which is a refundable tax credit that works by offsetting workers' income tax liabilities, has proven to be an effective and impactful anti-poverty tool. In 2020, this tax credit—one of the few policies to enjoy bipartisan support—provided 25 million workers and families with a total credit of $63 million[1] nationally.

As New York City, the state, and the country emerge from the blow dealt by the COVID-19 pandemic and the recession, expanding the EITC would be a prudent and timely way to not only expedite a recovery but also to help the communities that had to bear the brunt of the suffering.

While the federal EITC helps support incomes of workers by offsetting federal payroll and income tax liabilities, twenty-nine states, including New York (plus Washington, D.C.), have instituted their own EITC programs to supplement the federal credit including New York. In addition to the federal EITC, New York State supports workers through the state-level EITC set at 30 percent of the federal EITC. Additionally, the City of New York rewards its low-income workers through the city-level EITC, set at 5 percent of the federal EITC.[2] In 2019, over 1.5 million tax filers in New York received the EITC; the total amount received by tax filers through the federal EITC was $3.8 billion[3] and approximately $1 billion from New York State.[4] Of these 1.5 million New York State tax filers, about 835,000 filers were based in New York City, and they received a total of $91 million in city-level EITC.[5] The Brookings Institute estimates that around 22 percent of the state's population (4.5 million New Yorkers), including 1.8 million children (43 percent of all children in

the state), lives in households that file for the EITC.[6] Over half of the EITC claimants are 'head of household' filers, which includes single parents. Households of color disproportionately benefit from the EITC, which is estimated to lower their poverty rate by 0.7 percentage points.[7]

President Biden, as part of his American Rescue Plan, increased the maximum amount of EITC available to childless filers, but that expansion expired at the end of 2021. The need to augment the EITC grows in urgency as additional federal COVID-19-related assistance—received in the form of stimulus checks, expanded unemployment insurance benefits, an increased Child Tax Credit, etc.—is not likely to be forthcoming in the foreseeable future, even though economic hardships continue. Of the nearly 2 million jobs lost in New York State since the onset of the pandemic, the state is yet to gain over half a million jobs, while the city still needs about 300,000 jobs to to match their pre-pandemic job figures.[8] People of color, who disproportionately work in low-paying jobs, and where wages have been largely stagnant were hit the hardest by the pandemic and the recession that followed.

In this brief we argue for expanding the EITC as a straightforward and just way to address the racial/ethnic and economic inequities that have been worsened by the recent economic collapse. Beginning with a brief history of the EITC, we chart out the evolution of the tax credit, and capture its impact on work, poverty, and other socio-economic metrics. Next, we delve into the challenges in its current design, primarily the sub-populations that are overlooked (e.g., ITIN filers, youth workers), then survey the landscape of expanding the EITC at the federal, state, and city levels, and conclude with policy recommendations.

The EITC, as mentioned before, is a refundable tax credit, meaning that not only does it reduce income tax liability, but it can also increase the tax refund for the claimant. Low-income tax filers often have very low income tax liabilities. Thus, these filers often receive their EITC amount (net of any taxes they owe) as a tax refund. At present, the EITC is received once a year, through a lump-sum payment, after the claimant files their taxes.

The EITC was not devised as another traditional anti-poverty program. It began in the early 1970s when President Nixon's administration was seriously considering a 'negative income tax' (NIT)—a type of guaranteed income scheme that is designed to taper off as an individual's income rises. Suggested by Milton Friedman, a NIT held great promise among policymakers at the time who were trying to win the so-called 'war on poverty': it would have solved the administrative challenges of enforcing eligibility criteria and targeting assistance while also doing away with 'benefit cliffs' that often deter recipients from increasing incomes and locking them into perpetual dependence.[9] Bothered by the fact that an NIT would provide the most benefit to those without earnings (i.e., those most in need) and might reduce these recipients' incentive to work, then-Chair of Senate Finance Committee, Senator Russell Long (D, LA), proposed an idea of a 'work bonus' that increases with earnings in the initial phase. Long's alternative to NIT—refunding 10 percent of the wages subject to Social Security taxation up to $4,000 and phasing out at 10 percent over the $4,000 to $8,000 range—shaped up to what we know as the EITC today. The EITC was introduced in 1975 as a temporary, year-long measure, available only to workers with children. It was partly intended to stimulate aggregate demand and counter the recession that

FIGURE 1: EVOLUTION OF THE EARNED INCOME TAX CREDIT PROGRAM

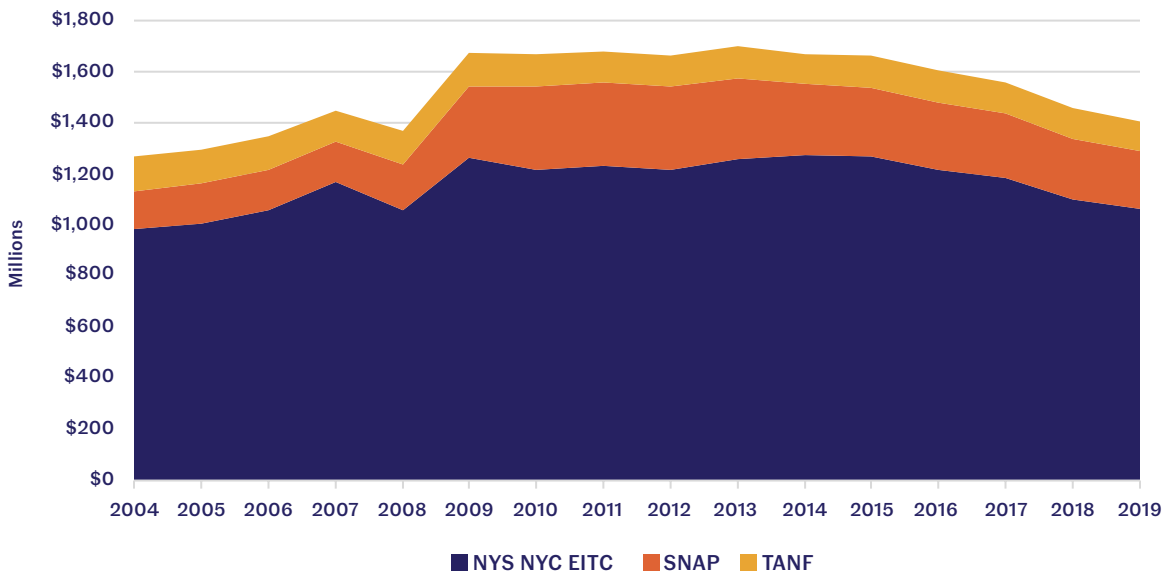
- **1975:** The EITC is enacted as a 10 percent credit on the first $4,000 of earnings, with the credit phasing out between $4,000 and $8,000, as part of the Tax Reduction Act of 1974.
- **1986:** Permanently adjusted the credit by indexing it to inflation. This ensured that future credit amounts reflected cost-of-living increases.
- **1990:** The formula used to calculate the tax credit amount was restructured such that families with two or more children received a higher credit than families with one child.
- **1993:** The credit was extended to childless working adults aged 25-64, who were not claimed as dependents on someone else's tax return.
- **1996-1997:** The credit was modified to reduce fraud, limit eligibility to individuals authorized to work in the U.S. and to those who had SSNs, and expanded definition of "investment income".
- **2001:** Revised the structure of the credit to reduce the 'marriage penalty'.
- **2009:** Restructured the credit to allow larger credit to families with three or more children.

had begun in 1973 and lasted until the spring of 1975, but it continued to be renewed every year until it was made permanent in the tax code in 1978.[10]

To understand possible future incarnations of the EITC, we must review its journey. The various ways in which the tax credit has been amended hint at the interplay between balancing political appeal and improving economic outcomes for low-income workers. Figure 1 plots the evolution of the program since its inception. Noteworthy moments on this timeline are: (1) 1986, when the credit was indexed to inflation, (2) 1991, when the credit was altered to vary with family size, (3) 1993, when the credit was extended to childless filers, and (4) 2009, when the credit was increased for families with three or more qualifying children.[11]

Over the past decades, and especially since the 'welfare reform' era of the mid-1990s, the EITC has grown, both in absolute size as well as in popularity, even as other means-tested programs have been curtailed. Researchers Hilary Hoynes and Ankur Patel compared the per capita expenditure on the EITC and on cash-based assistance programs (technically known as Aid to Families with Dependent Children, or AFDC until 1996, and Temporary Assistance to Needy Families, or TANF, thereafter) from 1980 to 2012. They found that after President Clinton signed the 'welfare reform' act into law (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or PRWORA), the EITC surpassed the cost of all other so-called 'welfare' programs. During the 1990s many states were granted waivers to modify their 'welfare' program, which involved strengthening work requirements and increasing penalties for failing to adhere to work requirements, and PRWORA imposed a lifetime limit of 5 years on receiving TANF assistance. In New York too, the EITC continues to have a much larger impact than traditional safety net measures: in 2019, the total expenditures on SNAP and TANF were $223 million and $114 million, respectively, while the state EITC cost orders of magnitude more at $974 million (see Figure 2 for a comparison of their sizes).

FIGURE 2: TOTAL EXPENDITURES ON NEW YORK STATE AND CITY EITC, SNAP AND TANF (ADJUSTED FOR INFLATION TO REFLECT 2019 DOLLARS)



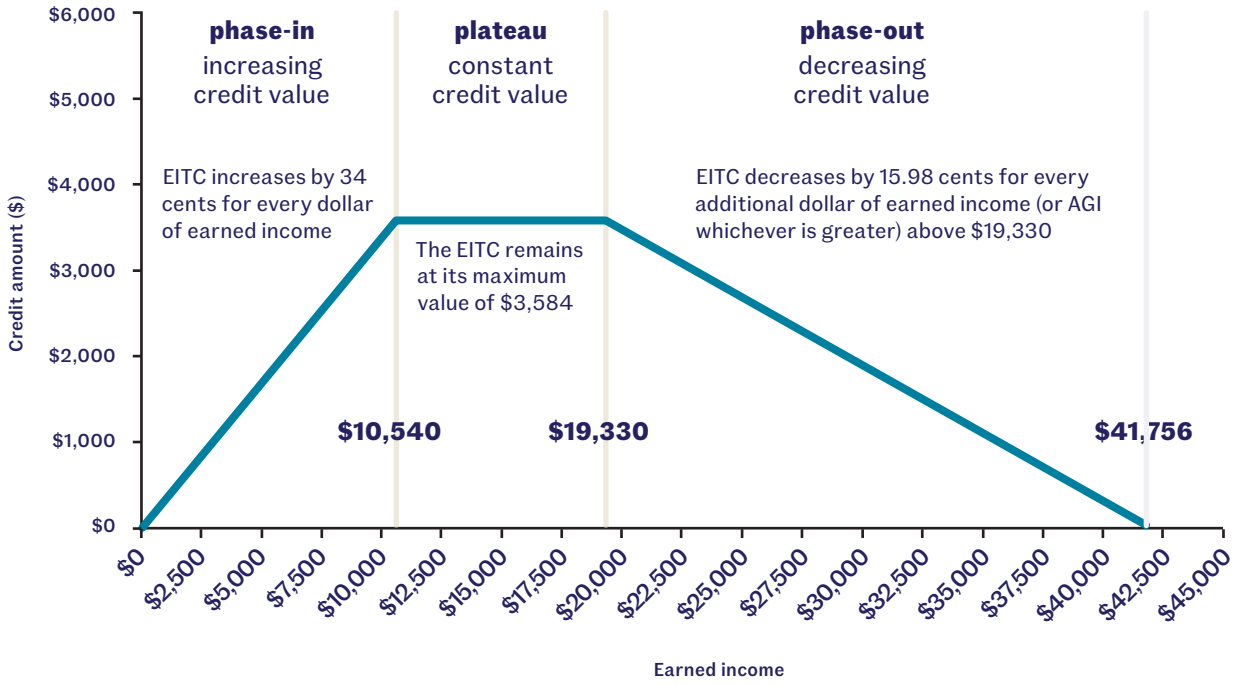
Structure and Design of Earned Income Tax Credit

The maximum amount of credit a tax filer can receive depends on their family composition and on their 'earned' income (i.e., income from wages, salaries, tips, bonuses, commissions, and from self-employment).[12] Figure 3 shows the structure of the EITC using the income thresholds and credit amounts for 2020. The structure of the credit is designed to have three distinct phases.

The amount of credit a worker receives increases in the initial phase, actively incentivizing work and encouraging them to increase work effort. In this stretch, when the credit is being 'phased in,' an additional $1 of earned income generates $0.34 (or $0.40 or $0.45) in credit for a claimant with one (or two or three) qualifying child (or children). After a certain income threshold is reached, the credit amount stays flat at the maximum amount in the second phase even as income continues increasing. Finally, the third phase is where the credit begins tapering off ('phase-out') and it is eliminated once a high enough income threshold is reached.[13] In the phase-out stretch for every additional $1 of earned income, the credit received falls by around $0.16 for filers with one qualifying child and by $0.21 for filers with two or more qualifying children.

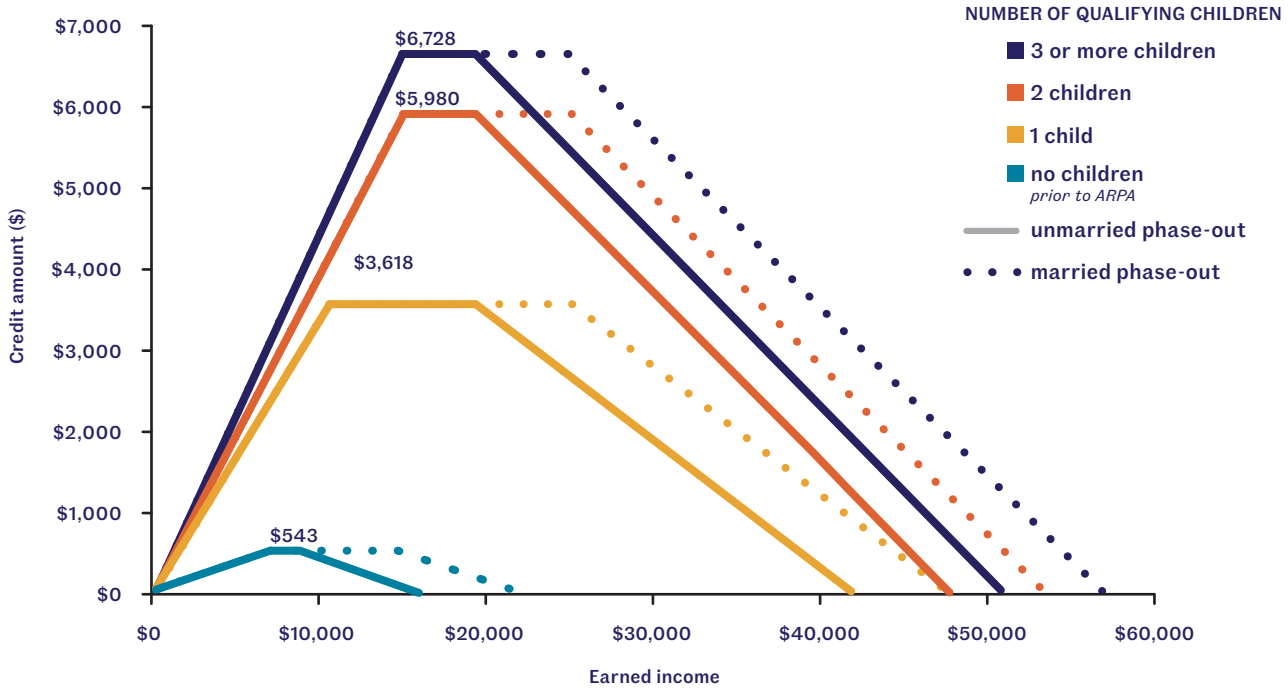
Figure 4 shows the structure of the credit for filers of all types. In 2021, prior to the passage of the American Rescue Plan Act (ARPA), the maximum credit that childless working adults could receive was $543 (indicated by the solid orange line). The credit amounts and the income limits increase as one moves from families with one to three children. In 2021, the maximum credit a tax filer with 3 children could receive was $6,728 provided their income did not exceed $19,520. Figure 4 also shows that the phase-out ranges are longer for married couple households to partially alleviate the 'marriage penalty'—a situation where the total credit received by a couple is lower than the sum of what they would have received as single earners. Married couples filing separately and those who do not file taxes are ineligible to receive the credit.

FIGURE 3: ILLUSTRATING THE EITC FOR A SINGLE FILER WITH ONE QUALIFYING CHILD (2020)



Source: Congressional Research Service, based on information in IRS Revenue Procedure 2019-44 and Internal Revenue Code §32.
Notes: In this simplified example, adjusted gross income (AGI) is assumed to equal earned income.

FIGURE 4: THE EARNED INCOME TAX CREDIT (2021)



Source: CRS calculations based on IRC §32.and IRS Revenue Procedure 20-45.

The three-phase design allows the EITC to maintain its efficacy as an anti-poverty tool while bolstering incomes and moving families closer to economic stability. If the credit ended abruptly, instead of tapering off gradually, it might push the families off a 'benefit cliff', and might disincentivize families from taking on higher paying jobs unless these jobs compensated for the loss in the amount received from the EITC. To illustrate, consider an EITC claimant with 2 qualifying children who had earned income of $19,520 in 2021 and received the maximum credit of $5,980. Now imagine that their income increases by $10 to $19,530. Given the current design of the EITC, the increased income would put the claimant in the phase-out range, and the credit they receive would be only $2 less. In the absence of a gradual phase-out, the filer would likely not be interested in accepting any increase in wages unless the new wage was high enough that it compensated them for the loss of $5,980 that they are receiving.[14] Such abrupt cut off in benefit eligibility criteria trap individuals and households into a state of perpetual economic insecurity, disincentivizing increasing their work effort or hours to avoid losing existing benefits.

Many states, including New York, have devised their own EITC programs. Table 1 lists the states that have some form of the EITC, either refundable or non-refundable. Given that the New York State and New York City EITC are set at 30 percent and 5 percent of the federal amount respectively, a tax filer with 3 children who is set to receive $6,728 will also receive $2,018 and $336 in addition to the federal credit. In addition to those who qualify for the federal EITC, New York State and Washington, DC, have extended earned income tax credit to non-custodial parents.[15]

TABLE 1: STATE AND LOCAL EARNED INCOME TAX CREDIT PROGRAMS, 2021

Refundable credit	Percentage of Federal Credit
California[1]	Uses different income levels and phase-out calculations than federal EITC; inclusive of ITIN filers since 2020.
Colorado[2]	10% in 2021; 20% in 2022; 25% by 2023; 20% after 2026; inclusive of ITIN filers
Connecticut	23%
Illinois	18%
Indiana	10%
Iowa	15%
Kansas	17%
Louisiana	5%
Maine	25% for workers w/o dependent children; 12% for all other eligible workers
Maryland[3]	28%; temporarily raised to 45% for 2021 and 2022; inclusive of ITIN filers
Massachusetts	30%
Michigan	6%
Minnesota	25% to 45% (depends on income)
Montana	3%
Nebraska	10%
New Jersey	40%
New Mexico	20% in 2021; 25% in 2023; inclusive of ITIN filers
New York	30%
Oklahoma	5% (refundable beginning 2022)
Oregon	9% and 12% (for families with children under the age of 3); inclusive of ITIN filers

Refundable credit	Percentage of Federal Credit
Rhode Island	15%
Utah	10%
Vermont	36%
Washington[4]	5%; inclusive of ITIN filers
Wisconsin	4% (one child), 11% (two children), 34% (three children)
District of Columbia	40%
New York City	5%
Montgomery County, Maryland	100% of State EITC
Puerto Rico[5]	Not eligible for Federal EITC; had local EITC from 2007 to 2013; re-enacted in 2019 and the American Rescue Plan allocates up to $800 million to support the local EITC.

Non-Refundable credit	Percentage of Federal Credit
Delaware	20%
Hawaii	20%
Maryland[3]	50%; inclusive of ITIN filers
Missouri[6]	10% to 20%
Ohio	30%
South Carolina[7]	62.5% in 2020; 125% by 2023
Virginia	20%

Notes-

1 California's EITC program, known as CalEITC, provides a refundable tax credit to residents with earnings up to $30,000. The maximum credit amount varies with the number of qualifying children and ranges from $240 and $2,982. Unlike the federal credit, CalEITC is available to youth workers aged 18 and older, and to ITIN filers since 2020.

2 Colorado extends state EITC to ITIN filers.

3 Maryland's tax filers have the option of claiming either the refundable or the non-refundable EITC, but not both. Also, Maryland recently expanded EITC to ITIN filers.

4 Washington enacted a refundable credit of 5% of the federal EITC in tax year 2009. It was scheduled to increase to 10% in 2010; however, policymakers have not financed the credit. Beginning in 2023, the Working Families Credit will be based on set dollar amount, not percentages.

5 https://www.cbpp.org/research/federal-tax/american-rescue-plan-act-provides-critical-permanent-tax-relief-to-puerto-rico

6 Missouri's law allows for an increase from 10% to 20% only shall only if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least $150 million.

7 125% phased-in in six equal installments of 20.83% each tax year until it is fully phased-in in tax year 2023, with the 62.50% applying in tax year 2020

Perhaps because the EITC is administered through the tax code, it enjoys a relatively higher participation rate than other programs. For New York, the participation rate—defined as the number of returns that claim the EITC as a proportion of all EITC eligible tax returns—is estimated to be around 80 percent.[16] This rate is considerably higher than the rates of participation seen in other programs: In 2018, the share of eligible families that participated in TANF was at a historic low of 24.2 percent, the share of eligible adults receiving Supplemental Security Income (SSI) was 61.2 percent.[17] Only the Supplemental Nutritional Assistance Program (SNAP) had a higher take-up rate—around 83.7 percent in 2018.[18]

The high overall participation rate for the EITC hides some variations in the take-up rates by family structure, income, and economic conditions. Margaret R. Jones, researcher at the Census Bureau's Center for Administrative Records Research and Applications, linked tax returns data from the IRS to respondents in the Current Population Survey and observed the following: (1) working women were more likely to claim the EITC (82 percent in 2009) than working men (76 percent in 2009), (2) filers with children were more likely to participate (82-86 percent) than filers without children (56-65 percent), and (3) recipients of low credit amounts in phase-out range were more likely to claim the credit than recipients of low credit amounts in phase-in range.[19]

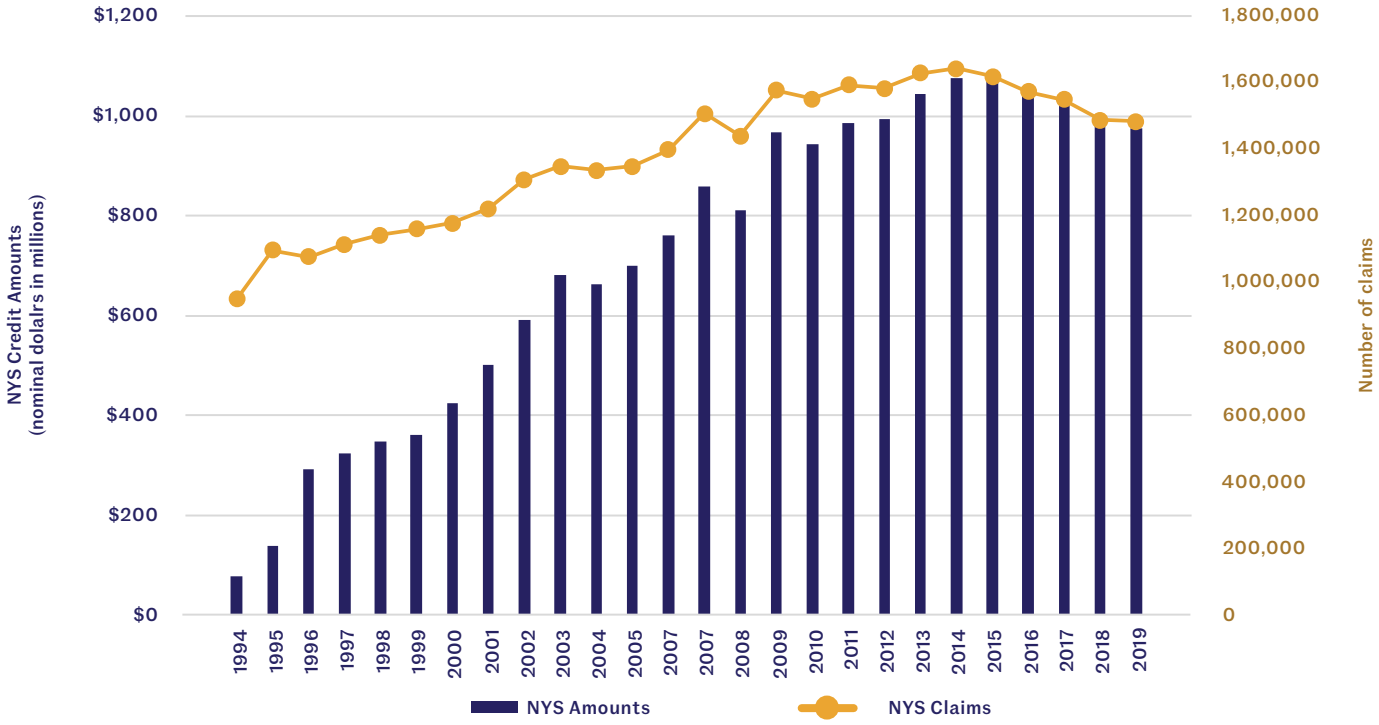
Since the EITC is claimed through the tax code, participation in other safety net programs do not affect the EITC eligibility of most claimants. One major exception is the Unemployment Insurance, which, although not counted as 'earned income', does count towards a filer's Adjusted Gross Income and might lower the credit received or might even make a filer ineligible for the credit. For most other means-tested safety net programs, the rules surrounding the inclusion of the EITC amount in determining eligibility and recipiency of benefits have evolved over time. Initially, Congress required the EITC to be considered as part of earned income for Aid to Families with Dependent Children (AFDC, now TANF), SSI, and Food Stamps (now SNAP). Legislation passed in the 1990s changed this and prohibited counting the EITC amounts as income or resource in the month received or in the following month when determining eligibility for AFDC, Medicaid, SSI, or low-income housing benefits, and for 12 months following receipt of Food Stamps.[20] Since 2008 Farm Bill, the EITC refunds that are deposited in qualified retirement accounts or education savings accounts do not count as assets in determining SNAP eligibility.[21] In other words, EITC recipients are encouraged to either save the refunds in long-term financial accounts or spend them immediately—instead of holding them as savings in the medium term—to avoid these funds being counted as assets when trying to access other benefits. Since states receive the federal TANF amount as a block grant and have a lot of discretion in the disbursement, states may choose to count the tax refund when determining eligibility for their programs. Currently, only Connecticut counts advance EITC refunds as income for their TANF program. But there is considerable ambiguity around which TANF-supported activities should or should not count towards the EITC. While Congress has explicitly ruled that "community service" and "work experience" jobs will not be counted towards the EITC, many other activities (and payments received) may end up being used for EITC purposes.

Program statistics

Since New York State introduced the EITC in 1994, the number of claimants and the total amount claimed has increased manifolds. Figure 5, panel (a) shows that in 2019, the latest year for which data are available, 14 percent of the state's tax filers—approximately 1.5 million—claimed the NYS EITC. Compared with 1994, when the number of EITC claimants was less than one million, this represents an increase of 56 percent. The increase is partly due to a growth in the state's population and partly due to the policy changes made to the state EITC to make it more generous, including extending the state credit to non-custodial parents. The total amount of NYS EITC claimed has increased from $77 million in 1994 to $974 million in 2019, in nominal terms. Panel (b) of Figure 5 plots the total number of claims and the total credit amounts disbursed for the New York City EITC since it was launched in 2004. In 2019, the total number of New York City EITC claimants was 835,000—around 30 percent of all New York City based tax filers. The program cost the city around $91 million. Figure 6 shows that across the five boroughs, the EITC helped a higher share of residents in Bronx (46 percent), followed by Brooklyn and Queens (around 30 percent).

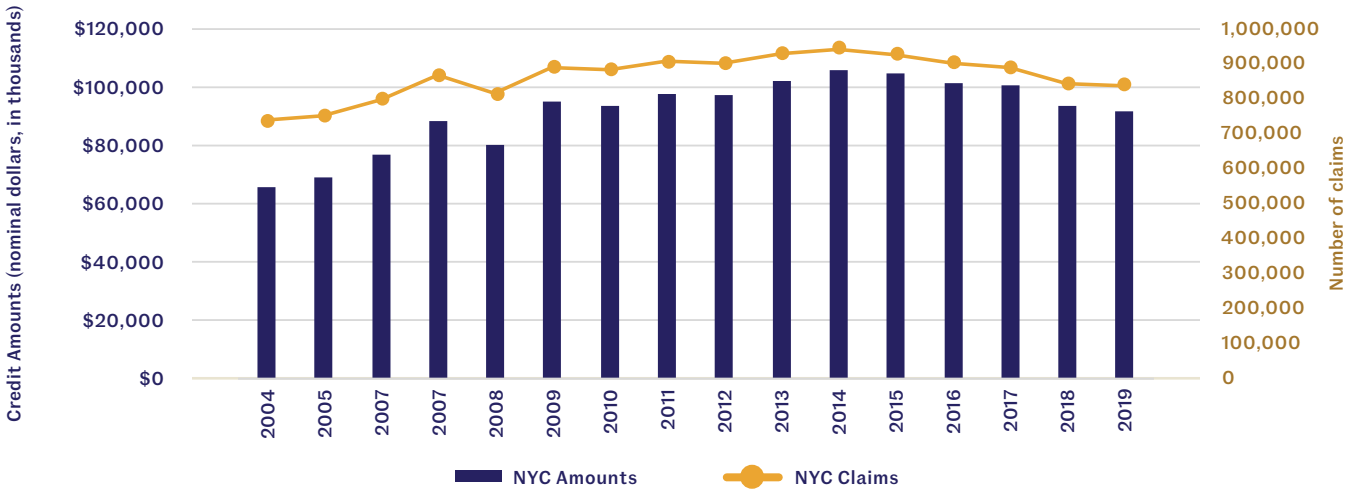
Figure 7 plots the credit amounts received by earned income levels. Given that the EITC is designed to be a tax credit aimed at low-income workers, it is unsurprising that two-thirds of claimants had incomes less than $24,000.

FIGURE 5 (A): NEW YORK STATE EITC CLAIMS AND CREDIT AMOUNTS



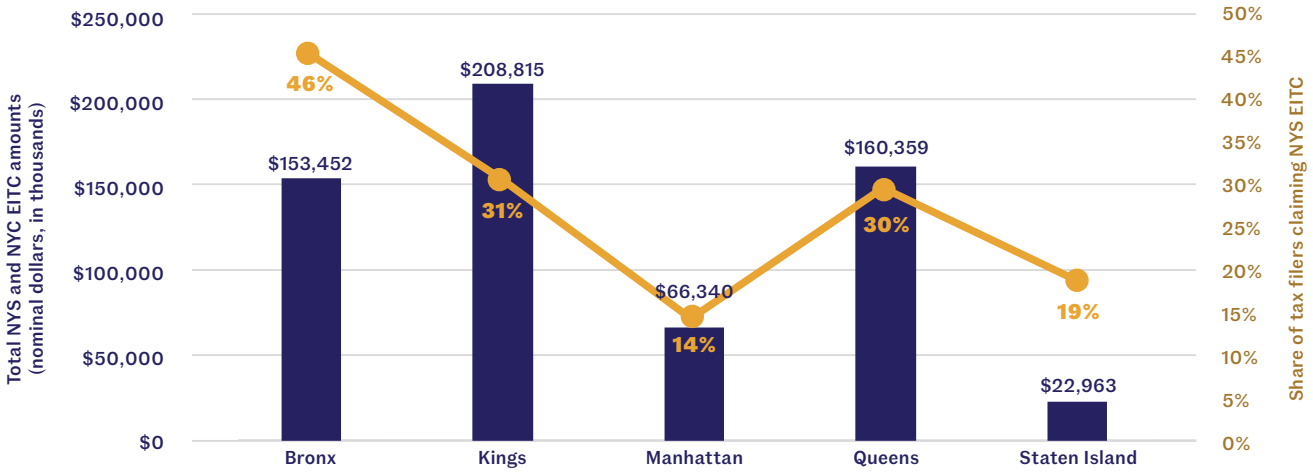
Source: New York State Department of Taxation and Finance

FIGURE 5 (B): NEW YORK CITY EITC CLAIMS AND CREDIT AMOUNTS



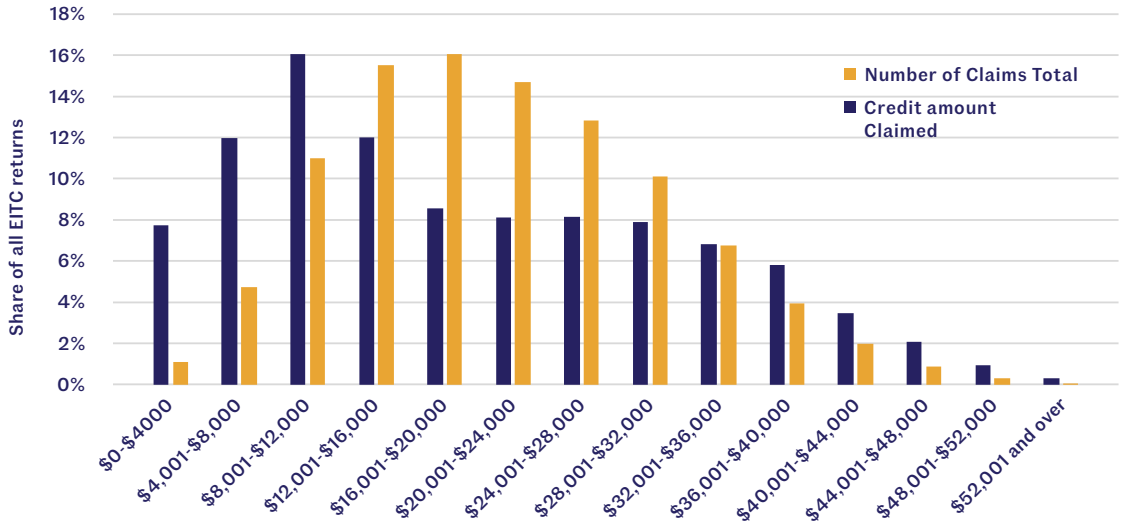
Source: New York State Department of Taxation and Finance

FIGURE 6: DISTRIBUTION OF CLAIMANTS AND CREDIT AMOUNTS ACROSS THE BOROUGHS



Source: New York State Department of Taxation and Finance

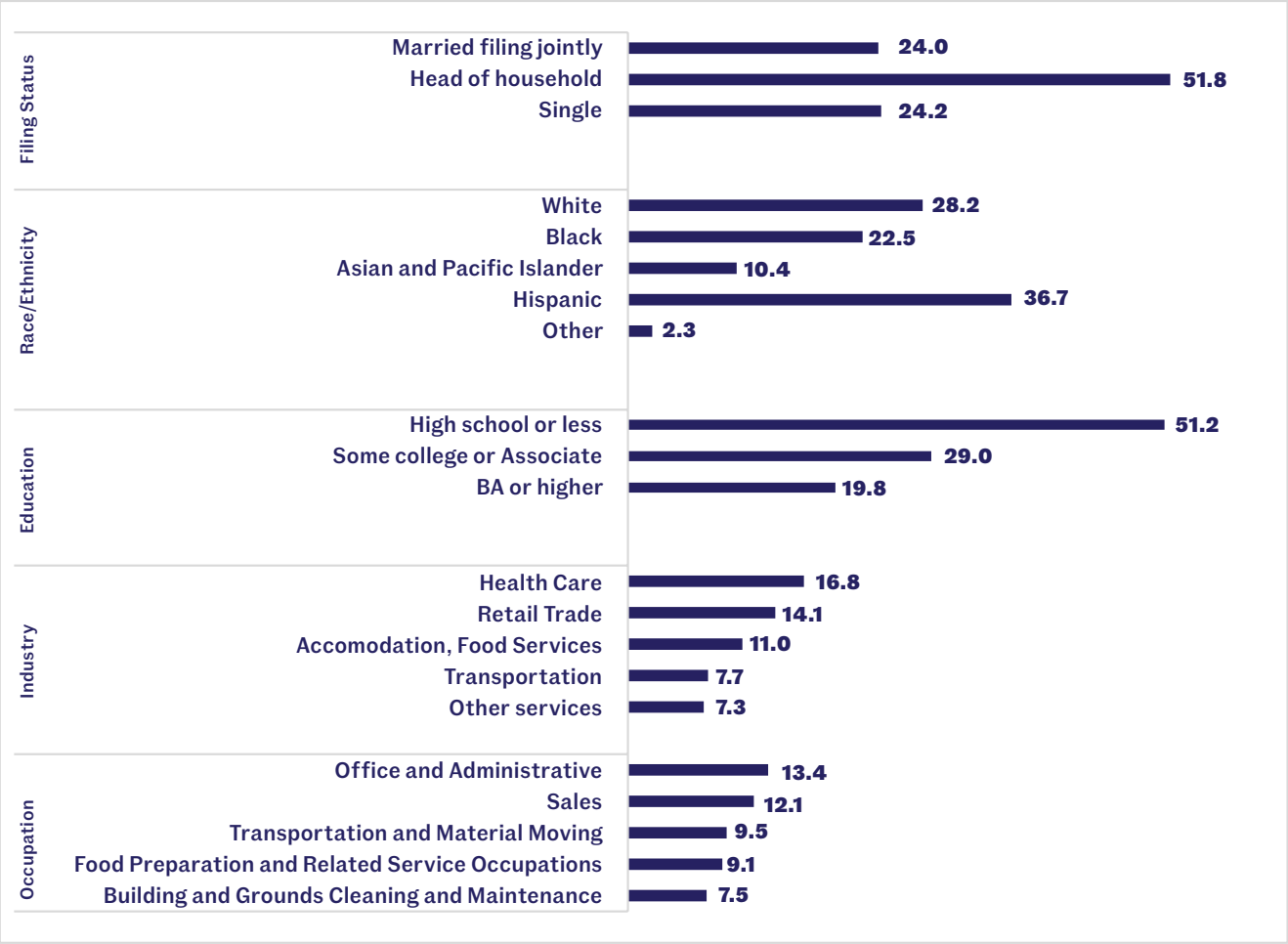
FIGURE 7: DISTRIBUTION OF EITC CLAIMANTS BY THE SIZE OF THE EARNED INCOME



Source: New York State Department of Taxation and Finance

Figure 8 provides a demographic profile of EITC claimants based on analysis by the Brookings Institute. A majority of claimants in New York are heads of household (52 percent). Over a third (36 percent) of claimants are Hispanic, followed by whites and Blacks who comprised 28 and 22 percent of the claimants respectively. EITC claimants are less likely to have college degrees and are most likely to work in health care or retail industries. Around a quarter of all EITC claimants worked in office and administrative or sales services.

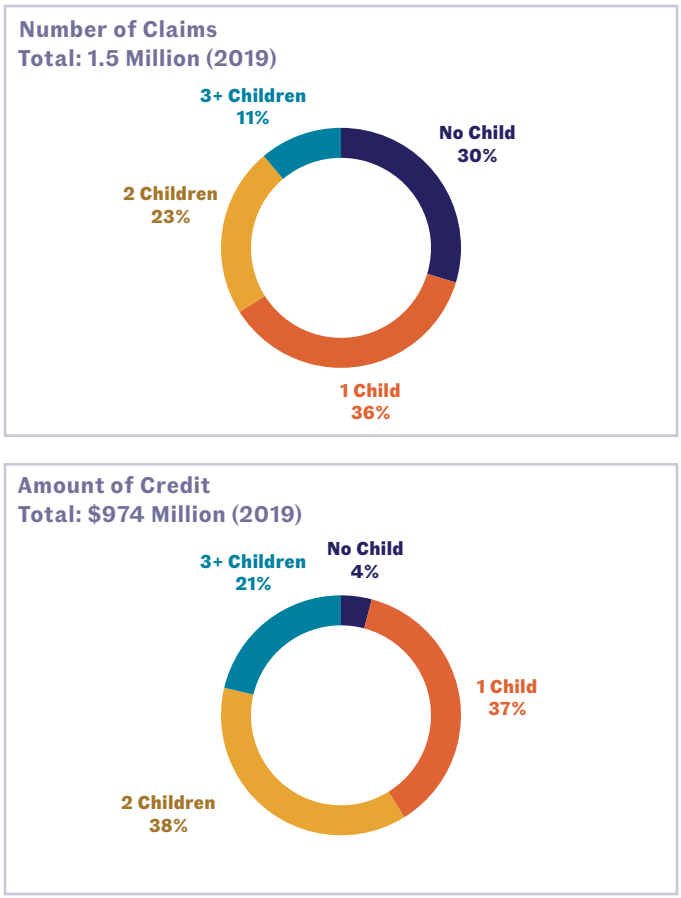
FIGURE 8: DEMOGRAPHIC CHARACTERISTICS OF EITC CLAIMANTS IN NEW YORK STATE (2015)



Source: Holmes, Natalie and Alan Berube. "The Earned Income Tax Credit and Community Economic Stability," Brookings Institute, November 2015.

The EITC was primarily intended to assist low-income working families with children. Even when the credit was extended to childless working adults, the maximum credit allowed was much smaller than the amounts for families with children. Figure 9, panels (a) and (b), captures the small share of the New York State EITC going to childless working adults. Figure 3.6 shows the average NYS EITC received by each filer type—from no qualifying children to families with more than two children—in 2019. **Where the credit received by childless working adults is less than $100 on average, families with a higher number of dependent children receive up to $1,258.** The apparent unequal treatment of families with and without children stems from a desire to see the EITC as a replacement for cash welfare program, especially during the mid-1990s when there was a bipartisan consensus on 'fixing the welfare system'. Hence the overly generous credit to families with children while childless workers receive a paltry refund.

FIGURE 9: COMPOSITION OF EITC CLAIMANTS AND THE TOTAL CREDIT RECEIVED BY NUMBER OF QUALIFYING CHILDREN



Source: New York State Department of Taxation and Finance.

FIGURE 10: AVERAGE NEW YORK STATE EITC RECEIVED BY FILER TYPE (2019 $)

Source: New York State Department of Taxation and Finance.

Impact of the EITC

The EITC encourages work and engagement with labor market

As discussed above, the EITC was created to replace the idea of Negative Income Taxes by explicitly tying public assistance to the notion of 'work.' For a single earner with one child who is not currently working, the incentives put forth by the EITC are simple and encourages them to (a) participate in the labor market and (b) increase their hours/effort to garner higher wages so long as they are in the 'phase-in' or 'plateau' ranges (see Figure 3). The incentives are a bit murky for married couples: if the earnings of the primary filer are high enough to put the family beyond the 'phase-in' range (where credit increases with earnings), then the secondary filer may (a) choose not to work entirely or (b) choose to forego some of the increases in earnings, to continue receiving the maximum credit amount. Beyond the 'phase-in' or 'plateau' ranges, the EITC falls with additional earnings and thus might disincentivize work. In theory, the EITC thus penalizes raising incomes either through acquisition of skills or training/apprenticeship programs that are designed to put workers on a trajectory to higher incomes.

There is a substantial body of research examining the labor market impacts of the EITC, especially among single mothers. Much of this research exploits the changes in the design and credit amounts of the EITC as enforced by various rounds of legislations (see historical timeline in Figure 1). Each instance of legislative change produced populations that were affected by the change—the treatment group—and others who were not affected by the change, the control group. For example, in 1993, when the credit for families with two or more children was drastically expanded relative to credit for families with only one child, it allowed researchers to compare work-related outcomes of these two groups and discern the role played by the EITC.

The evidence on the effect of the EITC on labor market indicators is grouped into the following buckets: **(1)** effect on participating in the labor market, **(2)** effect on the hours worked/incomes earned, and **(3)** effect on wages and employers.

(1) Participation in labor market: The research findings are unified in their conclusions that the EITC encourages work and improves income among single women with children. Between 1986 and 2003, their labor force participation rate rose by 12 percentage points- from 73 percent in 1986 to 85 percent in 2003.[22] Another study finds that the EITC explains 60 percent of the 8.7 percentage point increase in the labor force participation rate of single women with children between 1984 and 1996.[23] Although the initial design of the EITC imposed a 'marriage penalty' and should have incentivized married women to reduce their supply of labor, the labor force participation rate among married women did not fall as much- reducing only by 1 percentage point- between 1984 and 1996.[24]

(2) Hours worked and incomes earned: Researchers have also investigated if working individuals modified their work hours and/or the nature of their work engagement in response to the EITC. Numerous studies, employing a variety of estimation techniques, have found small to non-existent evidence of a response in the intensive margin.[25] Researchers surmise that it is probably a lack of information issue: claimants are not exactly sure of where on the schedule they land and whether they should increase or decrease their effort.

(3) **Effect on wages and employers:** Given that there is strong empirical evidence to support the claim that the EITC increases supply of labor, a natural next step might be to examine if the increased labor supply would reduce wages in the low-wage labor markets where most EITC claimants participate. Jesse Rothstein examines the differences in the wage trends for single women in the low-wage labor market before and after the 1993 national expansion of the EITC to examine the incidence of the credit. They find that although single women's pre-tax wages continued rising, the rate of growth in wages in the low-wage labor market post-the EITC expansion was slower than the rate of growth in wages prior to the expansion. Further studies have shown that employers capture about 36 cents for every $1 increase in the EITC by depressing the wages offered. However, the wages of the EITC recipients still increases by $1.07 due to a combined effect of increased labor supply and increased the EITC, but the wages of low-income workers ineligible for the credit experience a net decrease. These observations strengthen arguments for having a targeted, unconditional, basic income assistance program for workers and non-workers alike.

The EITC Reduces Poverty

The EITC is a hugely successful anti-poverty program, although it was not conceived as such. In 2018 alone, the EITC lifted about 5.6 million people out of poverty, including about 3 million children. The number of poor children would have been more than one-quarter higher without the EITC. The credit reduced the severity of poverty for another 16.5 million people, including 6.1 million children.[26] Combined with the federal Child Tax Credit, the EITC is estimated to have lifted 7.5 million individuals out of poverty in 2018.[27]

In New York state, the EITC serves to reduce the share of the population in poverty by 0.8 percentage point and the share of children in poverty by 1.8 percentage points.[28]

Researchers Hilary Hoynes and Ankur Patel find that the EITC receipt is concentrated among families whose after-tax incomes (excluding the EITC) put them between 75 and 150 percent of the federal poverty line.[29] They find that a $1,000 increase in the EITC leads to a 7.3 percentage point increase in employment and a 9.4 percentage point decrease in the share of families with after-tax income below the federal poverty line.[30] **The EITC is able to generate these large anti-poverty impacts by (a) directly increasing families' incomes and (b) by increasing work which then translates to increased incomes.** Per their estimates, the full effect of the EITC—including both direct and indirect effects—is nearly 50 percent larger than the direct effects of the credit alone.

A 2003 study by the Brookings Institute found that in 27 urban and rural areas nationwide the EITC boosted annual incomes in families by an average of $1,700. This boost pushed millions of families, many with children, above the poverty threshold. There is also evidence that introduction of state EITCs are likely to bring families with sub-poverty level earnings above the poverty threshold over the course of one year.[31] Households receiving the EITC typically spend the money on purchasing durable goods like vehicles, furniture and household appliances.[32] While the EITC claimants are majority white due to their sheer population size, the program serves a larger proportion of Black and Hispanic/Latino workers relative to their population size.

The EITC Reduces Inequality

Besides serving their main functions of improving work and reducing poverty, the city, state and federal level EITCs also reduce inequality by improving the after-tax income of the bottom half of the income distribution. The EITC has been shown to reduce inequality, as measured by the Gini coefficient (a measure that ranges from zero, or perfect equality when everyone has the same income to 1, or perfect inequality when one individual has all the income) by 0.34 percentage points.

In addition to improving after-tax incomes, the EITC, especially the state and local EITC (like New York City EITC) partially counter the regressive effects of state and local taxes i.e., sales and property taxes. Since sales and property tax rates are flat percentages, they are regressive in their impact because low- and moderate-income households pay more in taxes as a share of their income than richer households.

The EITC improves educational attainment, health and well-being

Given that household incomes are strongly associated with improving test scores and increasing educational attainment, it is no surprise that EITC dollars have also been shown to have large positive impacts on the recipients' children.

Several studies find significantly large improvements in children's test scores associated with the EITC expansions.[33] Although estimating the exact effect of an increased EITC on test scores is complicated by the interplay of the multiple forces affecting performance, most studies concur that the EITC expansions have positive and lasting effects on test scores. **There is also evidence that the positive effects of the EITC are higher for boys, for children younger than 12 years of age, for Black and Hispanic/Latina/o/x children, and for children of unmarried parents.**[34]

There is a robust consensus in the literature that children in households receiving the EITC are also more likely to acquire more education: a $1,000 increase in maximum EITC is associated with increasing the chance that youth in an EITC-eligible household will enroll in college by 1 percentage point and that they will graduate with a bachelor's degree with 0.3 percentage points.[35] Another study uses the National Longitudinal Survey of Youth and finds that a $1,000 increase in the EITC is associated with increasing the probability of completing high school by age 19 by approximately 2 percentage points.[36] As seen in the case of improving test scores, the positive impacts of the EITC expansions on educational attainment are greater for boys, for children in minority households, and for children who were younger (less than 12 years old) during the expansion.

Besides improving educational outcomes, the EITC can also improve health and well-being. The 1993 expansion of the EITC has been shown to improve mental health and self-reported health status of women.[37] **Several studies have examined the effect of the EITC on the health of the children in the recipients' households and have found that the EITC reduces the incidence of low-birth weight (an indicator often used to gauge infant health),[38] improved self-reported health status among older children, and a shift from public health insurance to private coverage in states that have expanded the EITC.[39]**

The Case for Expanding the EITC

As discussed in the previous sections, the EITC in its various incarnations over the past decades, has proven to be an effective anti-poverty tool. Yet, there is ample scope to modify its current design to serve an even greater share of the low-income workers and enhance its power in fighting economic insecurity.

Expansion to Childless Working Adults

The first, and perhaps the most glaring shortcoming of the current EITC design is its treatment of childless working adults. The EITC for workers without qualifying children was introduced in 1993, not so much as an income support for working families, but more as a mechanism to offset an increase in gasoline tax. In 2018, of the 26 million EITC claimants across the nation, 6.9 million had no qualifying children (26 percent) and received a combined $2.1 billion (3 percent) in credit, with an average credit of $302.[40] **This is the only sub-population that is 'taxed into' or deeper into poverty.** The Center for Budget and Policy Priorities estimates that approximately 5.1 million workers (aged 19 to 64 years) without children are pushed below the official poverty threshold by their income and payroll tax liabilities, precisely because the EITC they receive is relatively meager.[41] The adjoining textbox illustrates the (fictional) case of Ms. ABC who is taxed into poverty.

Taxed into poverty: A short story

Ms. ABC is a 25-year-old single woman who worked roughly 30 hours a week throughout 2020 as a cashier at a convenience store and earned about $9 an hour. Her annual earnings of $13,700 were just above the official poverty line of $13,621 for a single individual. But under prior law, federal taxes pushed her into poverty:

- Some $1,048 — 7.65 percent of her earnings — was withheld from her paychecks for Social Security and Medicare payroll taxes.
- When filing income taxes, she could claim the $12,400 standard deduction, which left her with $1,300 in taxable income. Since she was in the 10 percent tax bracket, she owed $130 in federal income tax.
- Thus, her combined federal income and payroll tax liability, not counting the EITC, was $1,178. She received a small EITC of $160, so her net federal income and payroll tax liability was $1,018.
- In other words, her earnings were just above the poverty line, but federal taxes pushed her income about $940 below the poverty line.
- Under the American Rescue Plan Act, her EITC will grow to $1,116, raising her income after federal income and payroll taxes to $29 above the poverty line.

Source: https://www.cbpp.org/research/federal-tax/american-rescue-plan-act-includes-critical-expansions-of-child-tax-credit-and

Before the American Rescue Plan Act (ARPA) was passed, the maximum credit for childless working adults in 2021 was going to be $543—a fraction of the credit available to filers with even one child ($3,618). At an estimated one-time cost of $11.9 billion, the ARPA temporarily expanded the credit to benefit 17.3 million workers by--

(1) increasing the credit 'phase-in' rate from 7.65 percent to 15.3 percent,

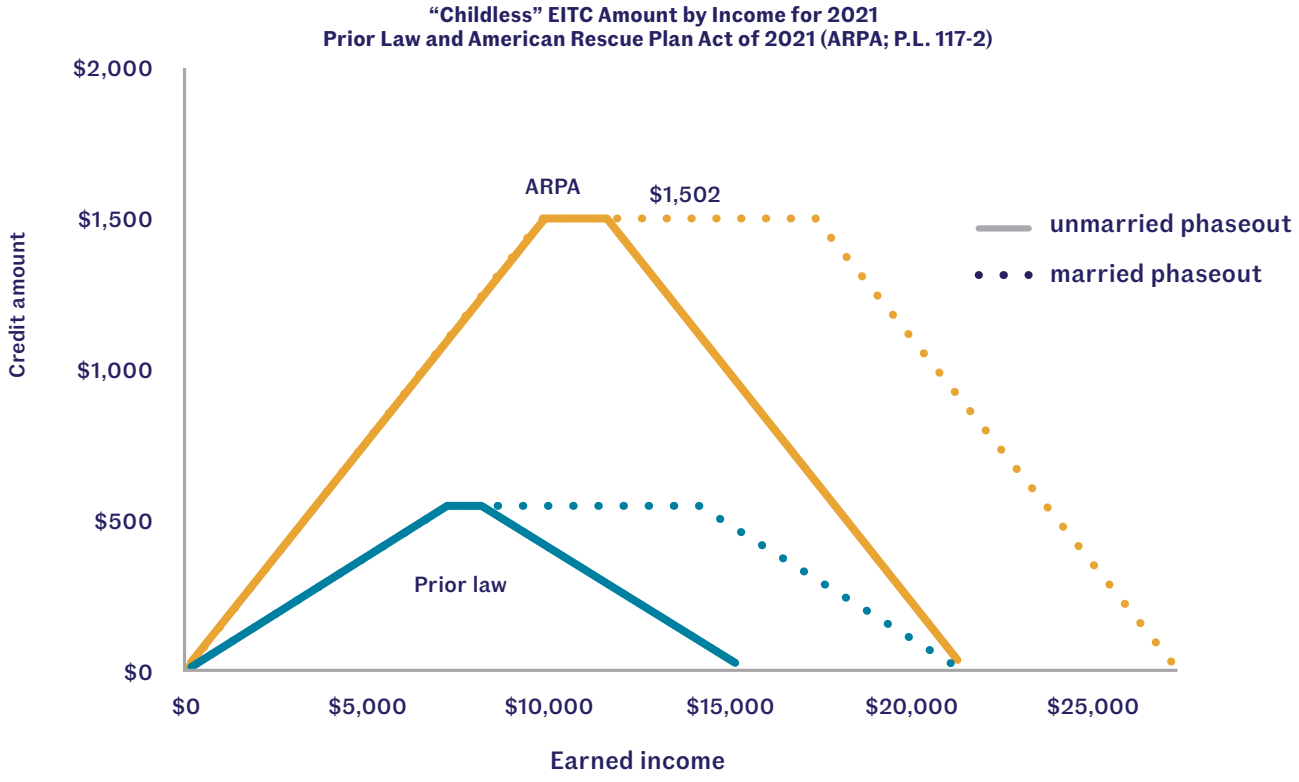
(2) by increasing the income at which the credit begins to phase-out from $8,880 to $11,610,

(3) by increasing the maximum credit to $1,502,

(4) by reducing the minimum age for eligibility--from 25 to 19 year for most workers, from 25 to 24 years for part-time students, from 25 to 18 years for former foster care children and homeless youth, and

(5) by removing the 64 years upper limit in age and thus allowing older workers to be eligible.

FIGURE 11: THE EITC STRUCTURE AND AMOUNTS FOR CHILDLESS WORKING ADULTS



Source: CRS calculations based on IRC §32.and IRS Revenue Procedure 20-45, and P.L. 117-2

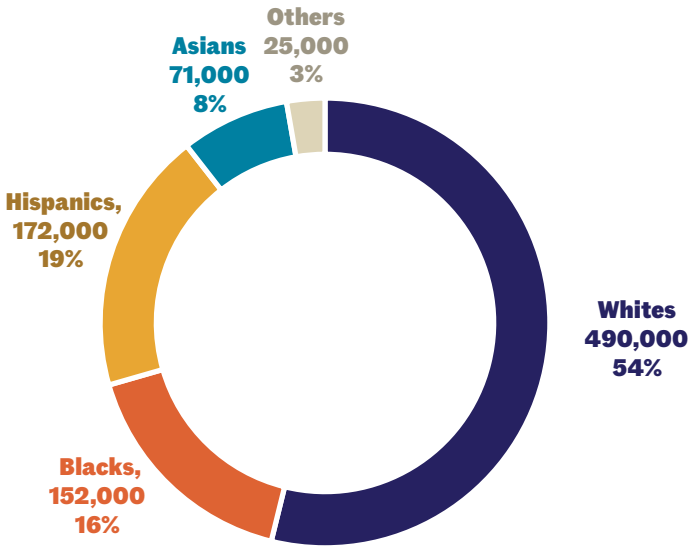
The interest in expanding the EITC for the childless working population is not new. The 116th Congress, which was in session during the last two years (January 2019-Januray 2021), included measures to expand the EITC for this population in several bills by revising the credit formula and changing the age limits to expand eligibility to younger and older working adults. Since none of these bills could make it past the Republican controlled Senate, the measures were not adopted. President Biden's Build Back Better plan includes such a provision, but it is not clear if such a provision will survive the multiple rounds of negotiations as part of the budget reconciliation process.

We strongly recommend expanding the credit for nearly one million New Yorkers who are EITC recipients with no qualifying children.

In its 2017 annual report on New York City poverty published by the Mayor's Office, the NYCgov poverty rate for single, non-elderly adults is estimated to be 26.5 percent, 7.5 percentage points higher than the citywide poverty rate of 19.0 percent.[43] More disturbingly, the report estimates that single, childless adults face the highest poverty gap index—a measure of average economic deprivation— relative to other groups (e.g., married couples with children or elderly adults living with relatives). Given that our current social safety net is designed to prioritize the well-being of children, elderly, and individuals with disabilities, it is not surprising that economic deprivation among the childless working adults is often overlooked. Figure 12 shows that if the ARPA expansions were made permanent, 46 percent of those who would benefit would be working New Yorkers of color.

FIGURE 12: ESTIMATED NUMBER OF CHILDLESS WORKING ADULTS IN NEW YORK WHO WOULD BENEFIT FROM THE ARPA EXPANSIONS BY RACE/ETHNICITY

Total number of workers if EITC expanded: 910,000



Source: CBPP analysis of the March 2019 Current Population Survey (national estimate) allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

Thus, we urge New York's elected officials to expand the EITC for childless workers to promote a truly equitable economic recovery for our city and state. The expansion would increase the size of the childless recipient pool from 440,000 to 910,000—by including workers aged 19-24 years and 65 years and older but excluding part-time students.[44] At present the total maximum credit a childless working adult can receive is around $700 (including the $540 from federal EITC). To ensure that these filers receive a maximum of $1500 in credit, once the expansions from ARPA lapse, the state would need to provide around $700 in extra credit to around 1 million filers. The cost of this expansion, based on rough estimates, would be around $700 million.

This expansion would have numerous benefits, including:

- Stimulating the local and regional economic output by increasing spending, creating new jobs, and improving wages given the increased maximum total credit amount of $1,500.[45]
- Addressing the declines in incomes suffered by workers in low-wage industries that were hit hardest during the pandemic.[46]
- Improving the after-tax incomes of childless working adults and prevent them from slipping into poverty.[47]
- Addressing racial, ethnic and gender inequities that have been worsened by the pandemic and recession.[48] As seen in Figure 5.1, the EITC program serves a larger proportion of workers of color and thus an increase of the credit amount would have an outsized impact on alleviating poverty in communities of color.

Expanding the EITC to ITIN Filers

The narrow eligibility for the EITC leaves certain sub-groups, including immigrant workers who pay taxes, from receiving the credit. Under current federal eligibility rules, a filer must have a Social Security Number (SSN) to be eligible for the EITC. Six states—Maryland, California, Colorado, New Mexico, Oregon, and Washington State—have extended their credit to filers who lack SSNs but pay taxes using an Individual Taxpayer Identification Number (ITIN).[49] ITIN filers include undocumented workers, student visa holders, some family members of workers with employment visas, and some survivors of domestic violence.[50] Repeated attempts to expand the EITC recipiency to ITIN filers in New York State have failed even though the expansion would have benefitted U.S. born children in mixed status households (where at least one householder is an immigrant).[51]

The ITIN is not an immigration status indicator. It is merely a tax processing number for people who are ineligible to receive SSNs. In 2019, there were around 2 million tax returns filed by a primary taxpayer with an ITIN, collectively paying $2.8 billion in taxes net of credits.[52] But ITIN filers, although they pay into the tax system, are denied access to most benefits. The 'welfare reform' legislation passed in 1997 (formally known as The Personal Responsibility and Work Opportunity Act, or PRWORA) made ITIN filers ineligible for government benefits like TANF or Medicaid. More recently, the Trump administration passed the Tax Cut and Jobs Act (TCJA 2017) which barred all ITIN filers from receiving the Child Tax Credit—effectively eliminating around 1 million immigrant children from receiving the CTC. ITIN filers were

generally left out of the two rounds of stimulus payments made through Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 as the federal government under President Trump refused to provide stimulus checks to households with even one ITIN filer (popularly referred to as 'mixed status' households), including households with U.S. born children. President Biden, in his American Rescue Plan, tried to undo this gross inequity to some extent by extending stimulus payments to mixed status households.

It is imperative that New York state addresses this baseless and unfair discrimination against hard working, tax-paying immigrants by extending the state EITC to ITIN filers. Economic arguments for extending the EITC to ITIN filers includes all the reasons mentioned in the brief thus far: positive impact on work, reduction in poverty, improvement in well-being of children both over the short and long term, creation of new jobs, and increase in tax revenue. But among the most important reasons is equity. Given that most immigrants are people of color, a policy that denies tax-paying New Yorkers from accessing a tax credit that could drastically improve their financial well-being and economic security reflects institutional and systemic racism. These ITIN filers have the same economic contribution as filers with SSNs, and yet, they are excluded from receiving the credit making it obvious that this discrimination is purely a nod to anti-immigrant sentiments and is not a matter of tax policy at all. Opponents are fond of pointing out that because the NYS EITC is a direct percentage of the federal EITC and follows the same eligibility rules as the latter, it would be hard and administratively encumbering to have a different set of provisions for the state credit. But the state has successfully 'uncoupled' its child tax credit—the Empire State Child Tax Credit—from the federal CTC and has made it available to ITIN filers.[53]

Researchers at the Institute for Taxation and Economic Policy (ITEP)—a non-partisan, non-profit tax policy organization—estimate that there are around 2.4 million ITIN filers eligible for the EITC.[54] Of these filers, around 100,000 are based in New York. Assuming full participation, it would cost the state an extra $77 million to provide them with NYS EITC. Assuming participation among the ITIN filers continues to mirror the current participation rates, extending the EITC would reach 74,000 workers for the added cost of $56.5 million.[55]

While these estimates serve the purpose of defining a range, the exact calculations of the impact of extending the EITC to ITIN filers is nearly impossible without better data on these filers. The paucity of quality, consistent administrative data on ITIN filers is being acutely felt as the push for a more inclusive tax code intensifies, not just here in New York,but across the country. Recommendations for the IRS include taking steps to share tax data disaggregated by ITIN status, at annual or at least bi-annual intervals, and to ensure that the collection and dissemination of this data does in no way jeopardizes the well-being of the undocumented population.

Current proposals in New York State for expanding EITC

Encouragingly, elected officials in New York state have put forth several proposals to expand the EITC and widen its reach. The 2022 Assembly one-house budget proposal recommended expanding the state EITC by: (i) increasing the State EITC credit from 30 percent of the federal EITC credit, to 37.5 percent of the federal credit, (ii) doubling the benefit for working childless adults, (iii) expanding the credit to include ITIN filers, (iv) making the EITC credit advanceable, which would be paid out in three installments of 25 percent throughout the year, with the remainder paid out when a taxpayer files their taxes.[56] The 2022 Senate one-house budget resolution also recommend expanding the state EITC from 30 percent to 37.5 percent of the federal EITC, but recommends a phase-in of over four years.In the final version of the FY2023 Budget, the legislature approved a temporary increase in the state EITC, from 30 percent to 37.5 percent of the federal EITC, for one year.

These proposals complement New York City Mayor Eric Adams' own recommendations that the City EITC be increased from matching 5 percent of the federal credit to 30 percent of the federal credit. The Administration has said that it will commit $250 million to realize this expansion.[57] In the FY2023 budget, the state has approved an expansion of the City EITC payments from 5 percent to "a new sliding scale benefit, between 30 percent and 10 percent of the federal credit". See Table 2 for a detailed comparison. The proposals would benefit an estimated 900,000 working New Yorkers. A 2016 analysis by then NYC Comptroller Scott Stringer's office showed that expanding the City EITC from 5 to 15 percent of the federal credit would lift 15,000 families above the poverty line and improve economic well-being for about one million children and two-million adults in the city.[58] Thus, the impacts on poverty of the proposed expansions would likely be higher than the impacts from expanding the credit by 15 percent.

TABLE 6.1: CURRENT AND PROPOSED EITC REFUND RATES AT STATE AND CITY LEVELS.[59]

	Percentage of Federal EITC			
Income ranges	**NYS EITC**		**NYC EITC**	
	Current	Proposed	Current	Proposed
Less than $5,000	30%	37.50%	5%	30%
$5,000 to less than $7,500				30% reduced by 2% for every dollar more than $4,999.
$7,500 to less than $15,000				25%
$15,000 to less than $17,500				25% reduced by 2% for every dollar over $14,999.
$17,500 to less than $20,000				20%
$20,000 to less than $22,500				20% reduced by 2% for every dollar over $19,999.
$22,500 to less than $40,000				15%
$40,000 to less than $42,500				15% reduced by 2% for every dollar over $39,999.
$42,500 or more				10%

Source: New Yor State Senate legislation S8009-2021, Parts FF and KK.

Conclusion

Thirty-six years ago, President Reagan famously described the EITC as the "best anti-poverty, the best pro-family, and the best job creation measure to come out of Congress". Since then the program has been revised numerous times and in significant ways, both to widen its impact across low-income working families as well as to iron out shortcomings. This report shows that although the program is generally achieving its goals, it leaves out some of our most vulnerable workers.

We recommend raising the credit available for childless workers to bring some semblance of parity, removing inequities with regard to family definitions and size. Additionally, we recommend extending the EITC to ITIN filers since they participate in the economy and contribute taxes just as any other worker does. The American Rescue Plan had modified the EITC temporarily by including younger workers and increasing the maximum credit amount available to childless workers. We believe that these provisions should be made permanent.

It is imperative that our city and state elected leaders work together to to unleash the full potential of the EITC as a powerful lever to support the state's low-income families and make an inclusive and equitable recovery in our city a reality.

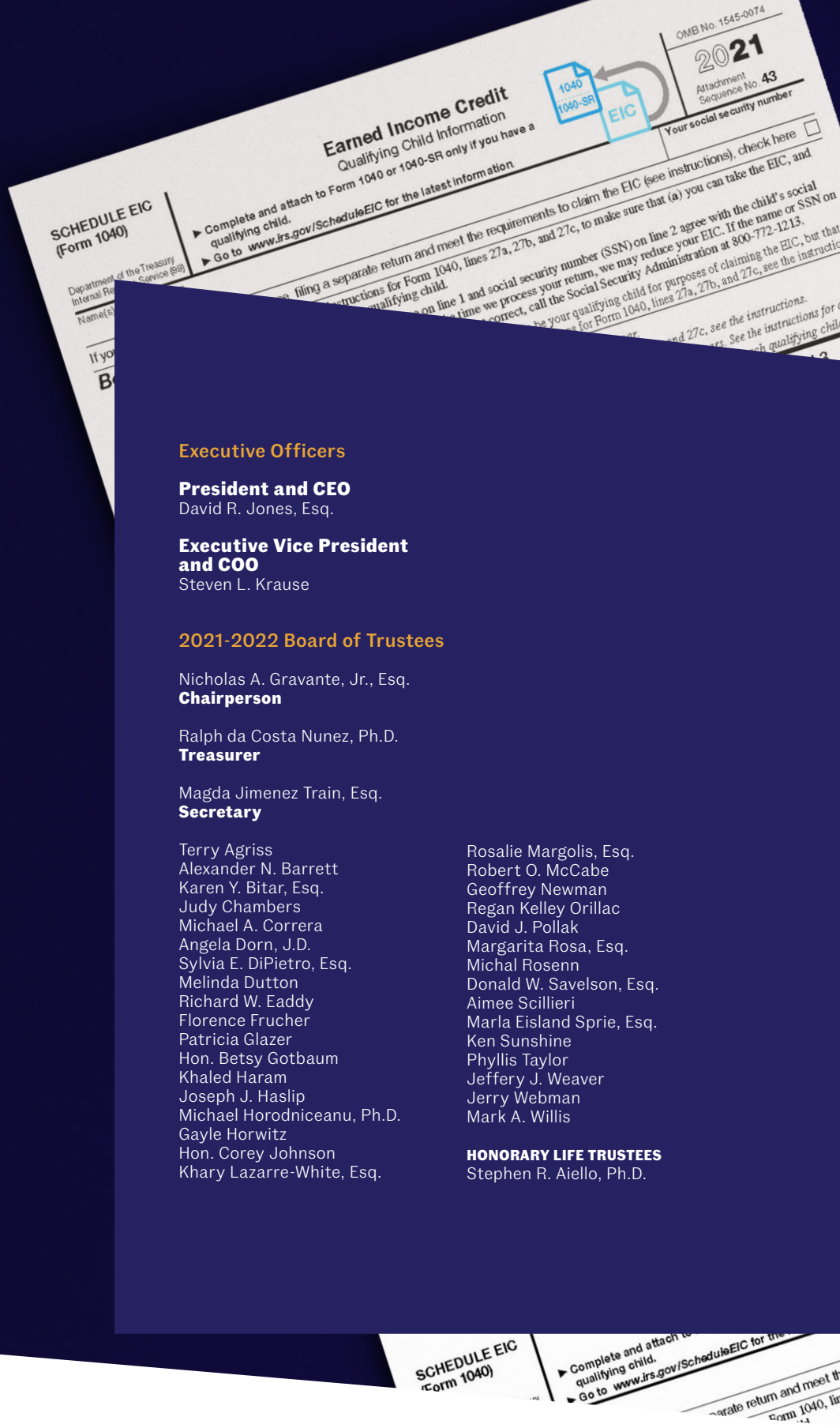
"There are other steps we can take to help families make ends meet, and few are more effective at reducing inequality and helping families pull themselves up through hard work than the Earned Income Tax Credit. Right now, it helps about half of all parents at some point. But I agree with Republicans like Senator Rubio that it doesn't do enough for single workers who don't have kids. So let's work together to strengthen the credit, reward work, and help more Americans get ahead."

- President Obama, State of the Union Address, January 28, 2014

Notes

1. https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-2019-tax-returns-with-eitc
2. https://www.tax.ny.gov/pit/credits/earned_income_credit.htm
3. https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-2019-tax-returns-with-eitc
4. https://data.ny.gov/Government-Finance/Earned-Income-Tax-Credit-EITC-Claims-by-Credit-Typ/6q7b-8vuf/data
5. Ibid.
6. https://www.brookings.edu/interactives/earned-income-tax-credit-eitc-interactive-and-resources/
7. https://scholars.unh.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1295&context=carsey
8. https://statistics.labor.ny.gov/lscesmaj.shtm
9. Chatterjee, D. and Emerita Torres. "The 'Simplest Approach': A Guaranteed Income Assistance Plan for New York City." Policy Brief, Community Service Society of New York, October 2021.
10. In 1978, the credit was modified to include a 'plateau' range, a slightly faster phase-out rate, and a higher maximum credit.
11. https://www.everycrsreport.com/reports/R44825.html
12. Earned income, for the purposes of the calculation of the EITC, cannot include income from investments (e.g., dividends from stocks and bonds) and income received through government benefit programs. In 2021, filers interested in claiming the EITC could not have investment incomes above $3,650.
13. https://www.irs.gov/publications/p596
14. Technically speaking, the marginal tax rate faced by such a worker would be extremely high, thus prohibiting them from increasing the effort.
15. For New York State, see: https://www.tax.ny.gov/pit/credits/nceic.htm
    For Washington, DC, see: https://www.dcfpi.org/all/dcs-earned-income-tax-credit/
16. https://www.eitc.irs.gov/eitc-central/participation-rate/eitc-participation-rate-by-states
17. https://aspe.hhs.gov/sites/default/files/2021-07/welfare-indicators-and-risk-factors-20th-report.pdf
18. https://aspe.hhs.gov/sites/default/files/2021-07/welfare-indicators-and-risk-factors-20th-report.pdf
19. https://www.census.gov/content/dam/Census/library/working-papers/2014/adrm/carra-wp-2014-04.pdf
20. Hotz and Scholz (2003), pp. 152.
21. https://www.cbpp.org/research/food-stamp-provisions-of-the-final-2008-farm-bill
22. https://www.nber.org/system/files/working_papers/w11729/w11729.pdf
23. Meyer, Bruce and Dan Rosenbaum (2000). "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects." National Tax Journal 53(4) Part 2 (December).
24. Eissa and Hoynes (2004)
25. Theoretically, these responses should be affected by where in the program schedule the EITC claimant is located—those in the phase-in range would likely increase their effort, those in the plateau would likely keep their efforts mostly unchanged, and those in the phase-out range would likely decrease their effort—and should show up as "bunchings" around the beginning and end of the plateau region in the data. Saez (2010) finds little evidence of bunching among regular workers but finds strong evidence of bunching among self-employed individuals around the end of the phase-in range (beginning of the plateau). These individuals likely have greater control over reporting their earnings, and so they try to include even casual earnings (e.g., from babysitting) to ensure they receive the maximum EITC. Chetty and Saez (2013) work with H&R block to examine the effects of providing tax-related advice to potential claimants and observe that the added knowledge slightly improves the amount of EITC claimed.
26. CBPP, Policy Basics, EITC
27. https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-272.pdf
28. https://scholars.unh.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1295&context=carsey
29. Hoynes, Hilary W., and Ankur J. Patel. 2018. "Effective Policy for Reducing Poverty and Inequality? The Earned Income Tax Credit and the Distribution of Income." Journal of Human Resources 53, no. 4 (Fall): 859–890. URL: https://gspp.berkeley.edu/assets/uploads/research/pdf/w21340.pdf
30. Ibid.
31. Neumark and Wascher (2000)
32. Barrow and McGranahan (2000) and Goodman-Bacon and McGranahan (2018)
33. See Rothstein (2015) for a survey.
34. Dahl and Lochner (2012)
35. Michelmore (2013)
36. Maxfield (2013)
37. Evans and Garthwaite (2014)
38. Hoynes et. al. (2013)
39. Baughman and Duchovny (2013)
40. https://crsreports.congress.gov/product/pdf/R/R43805#_Toc61454427
41. https://www.cbpp.org/research/federal-tax/american-rescue-plan-act-includes-critical-expansions-of-child-tax-credit-and
42. Expansion of EITC for childless working adults was included in
43. https://www1.nyc.gov/assets/opportunity/pdf/19_poverty_measure_report.pdf
44. https://www.cbpp.org/research/federal-tax/american-rescue-plan-act-includes-critical-expansions-of-child-tax-credit-and
45. http://www.ubalt.edu/jfi/jfi/reports/EITC-rept.pdf

46. https://www.cbpp.org/blog/3-reasons-to-expand-eitc-for-childless-adults-amid-covid-19
47. https://www.cbpp.org/research/federal-tax/childless-adults-are-lone-group-taxed-into-poverty
48. https://www.clasp.org/blog/10-reasons-love-eitc
49. https://www.cbpp.org/blog/record-number-of-states-create-or-improve-eitcs-to-respond-to-covid-19
50. https://www.economicsecurityproject.org/wp-content/uploads/2020/04/emp_ITIN_EITC.pdf
51. https://www.nysenate.gov/legislation/bills/2021/S537
52. https://www.taxpayeradvocate.irs.gov/news/nta-blog-most-taxpayers-needing-a-new-itin-are-prohibited-from-filing-electronically-causing-unnecessary-refund-delays/
53. https://www.tax.ny.gov/pit/credits/empire_state_child_credit.htm
54. https://www.economicsecurityproject.org/wp-content/uploads/2020/04/emp_ITIN_EITC.pdf
55. https://www.economicsecurityproject.org/wp-content/uploads/2020/04/emp_ITIN_EITC.pdf
56. https://nyassembly.gov/Reports/WAM/AssemblyBudgetProposal/2022/2022AssemblySummary.pdf
57. https://www1.nyc.gov/office-of-the-mayor/news/126-22/mayor-adams-pushes-equitable-recovery-reaffirming-commitment-bolstering-new-york-city-s#/0
58. https://comptroller.nyc.gov/reports/a-path-from-poverty-expanding-new-york-citys-earned-income-tax-credit/
59. https://www.nysenate.gov/legislation/bills/2021/s8009/amendment/b (Part KK).



CSS Community Service Society