

October 15, 2024

The Honorable Jason Smith
Chair, Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Kelly
Chair, Tax Subcommittee
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Darin Lahood
Chair, American Workforce Tax Team
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Carey
Vice Chair, American Workforce Tax Team
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

Dear Chair Smith, Chair Kelly, Chair Lahood, Vice Chair Carey, and all Members of the American Workforce Tax Team:

The undersigned 106 national, state and local organizations write to urge you to expand the Earned Income Tax Credit (EITC) for workers not raising children in their home (“childless workers”) to: (1) include all workers, regardless of age, (2) increase the credit amount, (3) raise the income limit to qualify for the credit, and (4) for all eligible people expand the definition of work to include unpaid caregiving. One of the most powerful tax policies to lift up working families, the EITC has a long history of bipartisan support and a proven track record of success for families with children. However, it provides extremely limited support to workers not raising children in their homes. We ask you to strengthen the credit to ensure that more working individuals get the help they need to keep up with rising costs and live with dignity, regardless of whether they are raising children at home.

The EITC is a powerful poverty reducer and rewards work. The credit is currently only available to low- and moderate-income households who earn income from work, so it has served both as an important [income boost and poverty reducer, as well as a significant incentive to work](#), especially for single mothers. The research shows that families mostly use their credits to pay for [necessities like groceries, rent, clothing, and school supplies](#). In 2023, the EITC kept 4 million people out of poverty, and the research has found that it also produces significant lifetime benefits, such as better [education outcomes](#), [improved health](#), and [higher lifetime earnings and a more secure retirement](#).

Targeted expansion of the EITC will amplify its impact, helping more American workers make ends meet. In 2021, the American Rescue Plan significantly expanded the childless EITC, [nearly tripling the average credit, doubling the number of recipients, and providing more than 5 times the total credit dollars](#) compared to previous law in 2019. If the American

Rescue Plan EITC expansion had been made permanent, it would have [benefitted about 14 million low-paid working adults](#) this tax year.

Expanding the EITC will help people working in low-paying occupations who perform important, but often overlooked, roles in our society. The current meager credit excludes many people working hard to scrape by. The people who would be most likely to benefit from a permanent American Rescue Plan EITC expansion this year work in [occupations](#) that many of us interact with and benefit from on a daily or weekly basis – cashiers, cooks, janitors, nursing assistants, child care workers, truck and delivery drivers, and even elementary and middle school teachers. These roles are often physically demanding, with unpredictable schedules and little to no sick leave or other paid leave.

We recommend 3 changes to improve the EITC for workers not raising children in their homes:

1. **Remove age restrictions.** Under current law, adults under 25 and 65 or older are ineligible for the EITC unless they are raising children in their home. This policy is based on the incorrect assumption that all young adults are still receiving financial support from their parents, and that all seniors are receiving secure retirement benefits. This simply is not the case for too many Americans.

Age restrictions are particularly harmful to former foster youth or those experiencing homelessness, who often face the transition to adulthood without any family support, and should not be taxed into poverty as they work to build a life for themselves.

In 2021, the Rescue Plan expansion made childless adults aged 19 to 24 (age 18 for former foster and homeless youth) and 65 and older temporarily eligible for the EITC, [benefiting 4.3 million young filers and 1.6 million older filers](#), as well as an [estimated 380,000 to 500,000 former foster youth](#).

2. **Increase the childless EITC amount.** Solely expanding the age range is inadequate because the amount of the childless EITC is extremely small. The maximum credit is \$632 in 2024, but relatively few filers receive that amount. For example, a home health aide making \$16,800 this year would receive an EITC of \$137. And [6 million workers](#) whose income is either below or just above the poverty line will be made poor or even poorer largely because their EITC is not large enough to offset their tax liability. The credit amount needs to be greater in order to stop people being taxed into poverty.

The expanded EITC in 2021 boosted the incomes of eligible low-paid workers by an [average of \\$823](#), helping them pay rent, buy groceries, or cover transportation costs to and from work.

3. **Raise the income limit to qualify.** Expanding the age range and increasing the credit amount are both crucial improvements, but a third flaw in the current EITC must also be addressed. Under current law, childless adults who have modest earnings receive nothing due to the narrow income range of eligibility. No one making above about \$18,600 (single filers) or \$25,500 (married filers) will get a single dollar from the EITC this year.

The 2021 EITC expansion boosted incomes, increasing financial security and [helping young adults keep up with their housing payments](#). A larger, expanded credit for childless workers can also [increase labor force participation](#), especially among women and financially disadvantaged men (such as men who are formerly incarcerated or those who owe child support).

We urge you to reinstate the American Rescue Plan EITC for working adults of all ages, increase the maximum credit at least to the level included in the American Rescue Plan, and raise the income limit to qualify for the credit to ensure that more working adults can benefit.

Caregiving is some of the most important work performed in our country, but many caregivers are excluded from valuable work tax credits simply because their work is unpaid. AARP estimates that some [38 million family caregivers provide an estimated \\$600 billion of care each year](#) in America – all uncompensated by the traditional wage and salary model. These workers also [forego an average of \\$237,000 over their lifetime in compensation](#) and retirement benefits.

We recommend the following change to address this inequity:

4. **Include a minimum credit for unpaid caregivers.** Providing a caregiver credit through the EITC, as proposed by Representative Gwen Moore (D WI-04), would make caregiving pay by providing a credit to those taking care of young children (under 12), aging relatives, or family members who are unable to care for themselves.

Sincerely,

National (55)

20/20 Vision

American Friends Service Committee

American Muslim Health Professionals

Americans for Democratic Action (ADA)

Americans for Tax Fairness (ATF)

Association of Asian Pacific Community Health Organizations (AAPCHO)

Autistic Self Advocacy Network

Big Cities Health Coalition

Care Income Now
Caring Across Generations
Center for Law and Social Policy (CLASP)
Center for the Study of Social Policy
Children's HealthWatch
Coalition on Human Needs
Community Change Action
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
Congregation of Sisters of St. Joseph
Economic Security Project Action
Every Mother is a Working Mother Network
Family Equality
First Focus Campaign for Children
Food Research & Action Center
Friends Committee on National Legislation
Futures Without Violence
Global Women's Strike
Health Care Voices
Holy Spirit Missionary Sisters, USA-JPIC
Hunger Free America
Indivisible
Institute for Policy Studies, Poverty Project
Institute on Taxation and Economic Policy
Just Solutions
Legal Momentum
NAACP
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Social Workers
National Council of Jewish Women
National Diaper Bank Network
National Employment Law Project
National NeighborWorks Association
National Resource Center on Domestic Violence
NETWORK Lobby for Catholic Social Justice
Payday men's network
People Power United
Public Advocacy for Kids (PAK)
RESULTS
RuralProgress
The Expectations Project
Unitarian Universalists for Social Justice
United Church of Christ
Voice for Adoption

Voices for Progress
Women of Color/Global Women's Strike
WZA Consultant
Young Invincibles

State (27)

Feeding Alabama
VOICES for Alabama's Children
Arkansas Community Organizations
Childhood Obesity Initiative, California
Coalition for Human Needs, California
GRACE - End Child Poverty California
United Ways of California
Kidango, California
DC Action, District of Columbia
Southern Women in Motion, Georgia
Idaho Hunger Relief Task Force
Women Employed, Illinois
Indiana Justice Project
Iowa Citizen Action Network
Maine People's Alliance
La Colaborativa, Massachusetts
RESULTS-Massachusetts
MLPB, Massachusetts and Rhode Island
Nebraska Appleseed
Church Women United in New York State
Public Health Solutions, New York
Maternity Care Coalition, Pennsylvania
National Council of Jewish Women, Pennsylvania
Hunger Free Vermont
SERCAP, INC. , Virginia
Virginia Interfaith Center for Public Policy
Voices for Virginia's Children

Local (24)

Agency for Humanity, GA-05
Brighter Beginnings, California
Cambridge Economic Opportunity Committee, MA-05
Cedar Lane Unitarian Universalist Congregation Environmental Justice Ministry, Maryland
Center for Independence of the Disabled, New York
Chapel of the Good Shepherd Episcopal Campus Ministry, Indiana
East Boston Social Centers, Massachusetts
Five Corner Cupboard Food Pantry, CT-01

Global Women's Strike-California Bay Area
Grand Street Settlement, NY-07, NY-10 and NY-15
Indy Hunger Network, Indiana
Just Harvest, PA-12
Lafayette Urban Ministry, IN-04
Lion of Judah Enterprises, Pennsylvania
Logic Homeschool, CO-03
Maternal and Child Health Access, California
Mohawk Valley Community Action Agency, Inc., NY-22
Nancy Saal RD Nutrition Counseling, Massachusetts
National Council of Jewish Women - Greater Philadelphia, Pennsylvania
RESULTS/Silicon Valley, CA-19
Together for Kids Coalition, MA-02
Unitarian Universalist Fellowship of Hidalgo County Texas
United Way of Mid Rural New York, New York
United Way of Southwestern Pennsylvania