



## **Support HB23B-1002: Increase Earned Income Tax Credit** Representatives Willford and Young & Senators Kolker and Fields

The federal [Earned Income Tax Credit](#) is a refundable tax credit for working families that helps them afford food, rent, transportation, and other basic needs. Our state EITC is currently set to 25% of the federal credit for tax year 2023. ***This bill as amended in House Finance this morning, will increase our state EITC to 50% of the federal credit for tax year 2023. While we had hoped this might be a larger expansion, this is an extremely meaningful expansion and we urge you to support maintaining it at this level.***

### ***Expanding Colorado's EITC Draws Down More Federal Dollars***

In 2022, [430,000](#) Coloradans benefited from the federal EITC, putting more than \$770 million back into the hands of Colorado workers to spend in the local economy. For every \$1.00 spent by a family that receives the EITC, it creates an economic impact of \$1.50 to \$2.00. Expanding our EITC is likely to boost first-time claimancy, drawing down more federal money to be spent in every part of the state — rural, resort, suburban, and urban.

### ***Expanding Colorado's EITC Lifts Families and Children Out of Poverty***

During the pandemic, programs like the expanded version of the EITC cut child poverty [almost in half](#). In 2022, when those expansions expired, the national poverty rate rose by the largest amount on record in [more than 50 years](#). The child poverty rate [doubled](#). Colorado has an opportunity to better fund critical programs like the EITC at the state level, to keep families out of crisis.

### ***Expanding Colorado's EITC Benefits Working Families and Local Economies***

The EITC directly targets working- and middle-class families across Colorado. Families with three or more kids making the median salary in Colorado — [\\$61,000](#) — are eligible for the EITC. The average state-level EITC in Colorado is [\\$834](#). The EITC is a powerful tool to right our upside-down tax code, where low-income Coloradans pay a higher share of their income in taxes than high-income filers. It puts money back into the hands of everyday people, and provides much-needed boosts to local economies in the process.

**Vote YES to boost local economies, cut poverty rates, and put more money into the pockets of Colorado families.**

**Supporting Organizations:** Colorado Fiscal Institute, 9to5 Colorado, Adams County Health Department, AFT-Colorado, All Families Deserve A Chance Coalition (AFDC), Colorado AFL-CIO, Colorado Consumer Health Initiative, Colorado Cross-Disability Coalition, Colorado Education Association, Colorado Association of Family Child Care, Colorado Organization for Latina Opportunity and Reproductive Rights (COLOR), Colorado Center on Law and Policy, Colorado Children's Campaign, Colorado People's Alliance, Colorado Statewide Parent Coalition, Colorado PTA, Colorado Coalition for the Homeless, Clayton Early Learning, CWA District 7, Elephant Circle, Hunger Free Colorado, Illuminate Colorado, League of Women Voters of Colorado, Mile High United Way, Movimiento Poder, Parent Possible, SEIU Local 105, Small Business Majority, Soul 2 Soul Sisters, State Innovation Exchange (SiX) Action, Spring Institute for Intercultural Learning, The Early Childhood Partnership of Adams County, Teamsters Local 455, Together Colorado, United for a New Economy, Voces Unidas, Women's Foundation of Colorado