

Together, we can...

Advance Tax Policy that Helps Families Make Ends Meet

Families deserve meaningful support that recognizes that providing our children what they need to be healthy and cared for is increasingly expensive.

Even with slowed inflation, families are facing volatile and high prices of everyday goods and services, and parents have limited access to family-focused tax credits, which help them to afford the basics. Pandemic-era federal assistance, such as an expanded Child Tax Credit (CTC), that helped to lift families and children out of poverty has now ended.

Lawmakers at the federal level did not take action to continue the impactful pandemic-era expansions of the federal CTC, which had removed many of the barriers for lower-income families to accessing the credit and

increased the credit amount. As a result, over 360,000 Virginia children, over half of whom are Black and Latino, are left without access to the full federal credit. And Virginia state lawmakers have not leveraged momentum of the expanded credits' success, failing to establish a state-level Child Tax Credit. While Virginia offers two versions of a state Earned Income Tax Credit (EITC) — 15% or 20% of the federal EITC — restrictions remain on the larger EITC option (it is nonrefundable), and many of our neighbors are unable to access the full benefit of the state EITC offered.

Virginia lawmakers can work to improve the state EITC and establish a Commonwealth Kids Credit to provide meaningful support to low-income families and families with children.

Advance commonsense policies

- Increase the state refundable EITC equivalent from 15% to 20% of the federal credit, allowing all qualifying families to access the full benefit of the state EITC.
- Consider increasing the refundable state credit beyond 20% of the federal credit, providing low-income families more support to pay for what their families need.
- Create a Commonwealth Kids Credit and consider a range of design principles. A \$500 credit per child for families with incomes below \$100,000 would reach over 1 million children in over 640,000 Virginia households. Lawmakers could cut Virginia's child poverty in half through a more sizeable credit, around \$4,000 plus a young-child bonus, that phases out at higher incomes much like the EITC.



I see first hand the needs of our families while working in our youth programs providing much needed direct support in our community. Targeting funding towards a refundable Child Tax Credit and strengthening the Earned Income Tax Credit would provide a lift to those that need it most.

*- Janell S.
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What can we do?

Learn more & engage

- Learn more about creating a Commonwealth Kids Credit. Get started at bit.ly/va-ctc.
- Check out how an improved state EITC helps our neighbors with low incomes at bit.ly/va-eitc-2023.
- Contact us at www.taxfairnessforvirginia.org to get involved and help fix our upside-down tax code! Learn how you can share your story, educate lawmakers, and be a part of the process to advance tax justice in Virginia.

