



July 21, 2015

**Support Committee Amendments 92, 93, and 94:
Vote to Improve and Make Permanent the EITC and the CTC
If Not Adopted—VOTE NO**

Dear Chairman Hatch, Ranking Member Wyden, and members of the Senate Finance Committee:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition charged by its diverse membership of more than 200 national organizations to promote and protect the rights of all persons in the United States, we urge you to support Committee Amendments 92, 93, and 94, which would respectively make the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) permanent, expand the EITC for workers without children, and index the CTC. Congress must not enact any business tax extenders without also taking care of our nation's families. It would be unconscionable to provide tax breaks to corporate interests while neglecting to also act on pro-work tax credits that have been proven to alleviate poverty for millions of low-income working families and children.

As the Senate Finance Committee holds an "Open Executive Session to consider an Original Bill to Extend Certain Expired Tax Provisions" today, we are heartened that several amendments have been filed that address the EITC and CTC. The EITC and CTC are federal tax credits that supplement the incomes of low- and moderate-income families each year, and they are two of the most important tools that our nation has in its arsenal to fight poverty. Both tax credits are only eligible to people who are working, and because they are refundable tax credits, some low-income families who earn too little to incur much, if any, tax liability can qualify for a partial tax credit.

As a coalition that represents organizations working with low-income communities across the United States, The Leadership Conference believes that the EITC and CTC are indispensable and must be made permanent to ensure that our nation's families and children can depend upon these critical poverty-fighting tools now and in the future. If Congress were to allow these credits to expire at the end of 2017, the consequences will be dire: approximately 50 million Americans (half of whom are children) would lose all or part of their tax credits.

Communities of color would bear a particularly heavy burden.

- **African Americans:** If the 2009 improvements in the EITC and CTC are allowed to expire, this would affect about 800,000 black working families with 2 million children. Allowing the CTC improvements to expire would nearly 2 million black working families with 3 million children.¹

¹ Center on Budget and Policy Priorities. Figures reflect Census-based estimates of the percentage distributions of affected persons by race and ethnicity (based on a CBPP analysis of demographic data

Officers

Chair

Judith L. Lichtman
National Partnership for
Women & Families

Vice Chairs

Jacqueline Pata
National Congress of American Indians
Thomas A. Saenz
Mexican American Legal
Defense and Educational Fund
Hillary Shelton
NAACP

Treasurer

Lee A. Saunders
American Federation of State,
County & Municipal Employees

Board of Directors

Barbara Arnwine
Lawyers' Committee for
Civil Rights Under Law
Helena Berger
American Association of
People with Disabilities
Cornell William Brooks
NAACP
Lily Eskelsen Garcia
National Education Association
Marcia D. Greenberger
National Women's Law Center
Chad Griffin
Human Rights Campaign
Linda D. Hallman
AAUW
Mary Kay Henry
Service Employees International Union
Sherrilyn Ifill
NAACP Legal Defense and
Educational Fund, Inc.
Jo Ann Jenkins
AARP
Michael B. Keegan
People for the American Way
Samer E. Khalaf, Esq.
American-Arab
Anti-Discrimination Committee
Elisabeth MacNamara
League of Women Voters of the
United States
Marc Morial
National Urban League
Mee Moua
Asian Americans Advancing Justice |
AAJC
Janet Murguia
National Council of La Raza
Debra Ness
National Partnership for
Women & Families
Terry O'Neill
National Organization for Women
Priscilla Ouchida
Japanese American Citizens League
Rabbi Jonah Pesner
Religious Action Center
Of Reform Judaism
Anthony Romero
American Civil Liberties Union
Shanna Smith
National Fair Housing Alliance
Richard L. Trumka
AFL-CIO
Randi Weingarten
American Federation of Teachers
Dennis Williams
International Union, UAW

Policy and Enforcement

Committee Chair

Michael Lieberman
Anti-Defamation League

President & CEO

Wade J. Henderson
Executive Vice President & COO
Karen McGill Lawson



- **Latinos**: Allowing the EITC improvements to expire would affect approximately 2 million Latino working families. Allowing the Child Tax Credit improvements to expire would affect 3 million Latino working families with 6 million children.²
- **Asian Americans**: If the 2009 improvements in the EITC and CTC are allowed to expire, this would affect nearly 400,000 Asian American working families with 700,000 children. Allowing the CTC improvements to expire would affect more than 300,000 Asian American working families with 500,000 children.³

The Leadership Conference urges you to vote in favor of Committee Amendment 92, which would make the EITC and CTC permanent. The EITC and CTC lifted 9.4 million people of all colors out of poverty in 2013 alone, and gave 22 million others the ability to generate additional income,⁴ while also providing significant income, educational, and health benefits.⁵ The EITC and CTC are proven ways to encourage and reward work, offset federal payroll and income taxes, and raise living standards for families throughout our nation. The data also demonstrate that children from working families that receive these supplemental tax credits do better in school, are more likely to attend college, have better health, and can be expected to work and earn more as adults.⁶

Although the EITC and CTC are proven poverty fighting tools, they can and should be improved. The first significant area for improvement is the lack of coverage in the EITC for low-wage workers without children. Currently, low-income childless adults and non-custodial parents are not covered by the EITC. The EITC should be expanded to cover low-wage, childless workers, rather than taxing this group of almost 8 million workers further into poverty. A childless adult working full time at the minimum wage (and earning \$14,500) faces a substantial tax burden, yet only receives an EITC of just \$23. We urge the Committee to vote in favor of Committee Amendment 93, which would expand the EITC for workers without children. The second area in need of improvement is indexing of the CTC, which is addressed in Committee Amendment 94. As the amendment itself notes, if the CTC is not indexed, a recent study from

and Census-estimated tax credits in the U.S. Census Bureau's March 2014 Current Population Survey public use file) multiplied by total actual numbers of filers from preliminary IRS data for 2013, or (for the expiring 2009 provisions) multiplied by estimates of total filers affected by these provisions in 2013 as estimated in February 2015 by the Institute on Taxation and Economic Policy (www.itep.org). Figures are for tax filers identifying themselves as black or African American alone, excluding those who are bi-racial, multi-racial, or Hispanic.

² National Council of La Raza: *Keep Working Families Out of Poverty* (July 20, 2015) http://www.nclr.org/images/uploads/pages/2015_taxcredits.pdf

³ Center on Budget and Policy Priorities. Figures reflect Census-based estimates of the percentage distributions of affected persons by race and ethnicity (based on a CBPP analysis of demographic data and Census-estimated tax credits in the U.S. Census Bureau's March 2014 Current Population Survey public use file) multiplied by total actual numbers of filers from preliminary IRS data for 2013, or (for the expiring 2009 provisions) multiplied by estimates of total filers affected by these provisions in 2013 as estimated in February 2015 by the Institute on Taxation and Economic Policy (www.itep.org). Figures are for tax filers identifying themselves as black or African American alone, excluding those who are bi-racial, multi-racial, or Hispanic.

⁴ Center on Budget and Policy Priorities' analysis of the Census Bureau's March 2014 Current Population Survey and SPM public use file.

⁵ Center on Budget and Policy Priorities: *EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds* (April 3, 2015) <http://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens?fa=view&id=3793>

⁶ Center on Budget and Policy Priorities: *EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds* (April 3, 2015) <http://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens?fa=view&id=3793>



Columbia University predicts that 750,000 children under 17 and their families will fall below the poverty line by the end of the decade.

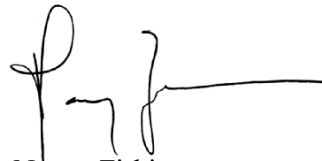
The case for making the EITC and CTC permanent is obvious. Just as clear is the point that such an investment in our nation's families is not only a good decision for our current economy, but also an investment in our future. Congress should take the opportunity to make these tax credits permanent at the earliest opportunity, expand the EITC to cover childless workers, and index the CTC, rather than risking the loss of such proven poverty fighting tools.

For these reasons, we strongly urge you to support making permanent the EITC and CTC along with any corporate tax extender deal. If these amendments are not adopted, we urge you to vote no on the bill. Thank you for your consideration. If you have any questions, please contact Emily Chatterjee, Senior Counsel, at (202) 466-3648.

Sincerely,



Wade Henderson
President & CEO



Nancy Zirkin
Executive Vice President