Low-income working families in New York State can receive a significant annual wage supplement through the Earned Income Tax Credit (EITC), which is available to eligible filers of federal, state and New York City income tax returns.

More than 1.8 million households—nearly one out of every five tax filers in the Empire State—claimed total federal EITC payments of $4.1 billion in 2015, the latest year for which data are available. The New York State EITC added $1 billion to this amount. The combined federal, state and city tax credit in New York averages nearly $3,000, but it can reach as much as $8,427 in cash depending on income, marital status and family size.

The EITC is designed to ensure that full-time workers do not have to live in poverty—particularly workers who are supporting families. For that reason, Cuomo administration officials have described the tax credit as “the most effective tool we have in helping middle- and low-income families escape poverty and achieve increased economic security,” and have praised it for making “a real difference” for working families.

Compared to proposed increases in the statewide minimum wage, the EITC provides a more efficiently targeted means of lifting inexperienced, low-skill workers out of poverty and into work. When combined with other cash-like tax credits and benefits, the EITC can boost the annual income of a single parent working full time in a $9-an-hour job to the equivalent of $16.81 an hour.

“If you work full time, you shouldn’t have to live in poverty – plain and simple.”

— Governor Andrew M. Cuomo
This paper explores the history and impact of the EITC, compares its effectiveness as a poverty-fighting measure to the minimum wage, and identifies ways of improving the credit.

History and background

The federal EITC was enacted in 1975 to offset the burden of payroll taxes and provide an incentive to work for low- and moderate-income families. The EITC is refundable – meaning that when the tax credit exceeds the amount of taxes owed, the difference becomes a tax refund. As a result, it effectively creates a form of negative income tax.

For tax year 2014, the federal EITC provided about 28 million households with $65 billion in tax credits. Since most low-income working families owe little or no income taxes to begin with, about 87 percent of EITC benefits come in the form of a tax refund.

Estimates by the Internal Revenue Service show that 79 percent of eligible tax filer households receive the credit, and that the vast majority of all available federal EITC credits are claimed. The so-called “take-up rate” for the EITC is relatively high because, unlike other benefit programs, it is obtained not through caseworkers and application processes but simply by filing a tax return.

By design, the EITC provides the greatest help for households with children, especially three or more children. To minimize any marriage penalty, eligibility ceilings are slightly higher for married families with children than single parent heads of households. Low-income single individuals and childless couples are eligible for a smaller but still important wage supplement through the EITC.

EITC benefits gradually phase out as income increases. Maximum EITC benefits are effectively targeted, with the highest benefits going to those households with the lowest income and the most children. Households then remain eligible for the maximum benefit along a plateau of income. After the plateau, the EITC begins to phase-out gradually until eligibility ends for different households. This approach maximizes benefits for those most in need and avoids creating a sudden drop off in benefits or a “notch effect.” The current EITC eligibility, maximum benefit levels and phase-out ranges are outlined in Table 1, below.

The federal EITC has been expanded with bipartisan support five times, including major expansions in 1986 under President Ronald Reagan, 1990 under President George H.W. Bush, and 1993 under President Bill Clinton. Each time, eligibility levels and maximum credit amounts were increased significantly, thereby

<table>
<thead>
<tr>
<th># Qualifying Children</th>
<th>Filing Status</th>
<th>Maximum Credit Levels ($)</th>
<th>Credit Phase-out Income Range ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Income Range</td>
<td>Credit</td>
</tr>
<tr>
<td>0</td>
<td>Single</td>
<td>6,610 - 8,270</td>
<td>506</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>6,610 - 13,820</td>
<td>506</td>
</tr>
<tr>
<td>1</td>
<td>Single</td>
<td>9,920 - 18,190</td>
<td>3,373</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>9,920 - 23,740</td>
<td>3,373</td>
</tr>
<tr>
<td>2</td>
<td>Single</td>
<td>13,930 - 18,190</td>
<td>5,572</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>13,930 - 23,740</td>
<td>5,572</td>
</tr>
<tr>
<td>3 or more</td>
<td>Single</td>
<td>13,930 - 18,190</td>
<td>6,269</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>13,930 - 23,740</td>
<td>6,269</td>
</tr>
</tbody>
</table>

Source: Internal Revenue Service
increasing the wage supplement effect.

The Economic Growth and Tax Relief Reconciliation Act of 2001—the first phase of the tax cuts initiated by President George W. Bush—raised maximum earnings levels under which married taxpayers filing jointly could qualify for the credit.

In 2009, President Barack Obama signed into law additional temporary changes establishing a higher EITC amount for families with three or more children and to further reduce the marriage penalty. These changes were made permanent by the 2015 Omnibus Appropriation Bill.

The EITC, along with the refundable child tax credit, unemployment insurance and food stamps have significant anti-poverty effects. In 2013, the federal EITC lifted 9.4 million, including about five million children, above the poverty line. Another 22 million people became less poor due to the EITC, including 8.1 million children. However, most official measures of poverty do not account for the effects of the EITC, thereby tending to inflate the number classified as poor.

The EITC in NYS

Based on a budget proposal by Governor Mario Cuomo, New York first enacted its own EITC in 1994, linking eligibility and credit levels directly to the federal EITC. Benefits were scheduled to phase in over four years, starting at 7.5 percent of the federal credit in 1994, then increasing to 10 percent in 1995, 15 percent in 1996 and 20 percent in 1997. As part of Governor George Pataki’s income tax reform bill in 1995, the phase-in of the EITC was accelerated to produce a credit equal to 20 percent of the federal level as of 1996.

With the enactment of federal welfare reform in 1996, states were allowed to use the new Temporary Assistance to Needy Families (TANF) block grant program to subsidize the creation or expansion of their own EITCs. Backed by TANF funds, New York State’s EITC was expanded to 25 percent of the federal level in 1998, and to 30 percent in 2000. (There are more federal than state EITC claimants in New York because of legislative changes to the EITC in 1995 that reduced the state EITC for some eligible higher income filers.)

The total value of the state EITC has grown from $78 million in 1994 to a record $1 billion in 2015, when it reached 1.5 million New York tax-filing households. New York State’s EITC has long been the nation’s largest in terms of total credits issued. Of the 25 other states with their own EITCs, Vermont at 32 percent of the federal EITC has a higher credit, but the numbers served and aggregate cost are quite small.

California recently enacted a state EITC that nominally provides a credit worth up to 85% of the federal credit, but it is not tied directly to the whole income range of federal EITC eligibility. It is expected to reach up to two million individuals in 800,000 working households, but its aggregate benefit will be $380 million, only a little more than one-third the aggregate benefit of New York’s $1 billion EITC. Several other states with nominally higher percentage credits, such as Minnesota and Wisconsin, have their own tax structure not linked to the federal EITC—making them less valuable to households than the New York State EITC.

Samuel D. Roberts, commissioner of the state Office of Temporary and Disability Assistance, has called the EITC “the most effective tool we have in helping middle- and low-income families escape poverty and achieve increased economic security.”

New York State’s add-on Earned Income Tax Credit was first introduced in 1994 by then-Governor Mario Cuomo.
Jerry Boone, New York State’s commissioner of taxation and finance, says the EITC “can make a real difference in the financial well-being of hard-working New Yorkers and their families.”

New York City added an EITC to its resident income tax in 2004. While the credit is modest, New York City is one of only a handful of municipalities in the country to establish such an EITC. In 2004, the city EITC provided $66.3 million to eligible filers. In 2013, the value had grown to $106 million in EITC credits, reaching nearly 927,000 households.

**Making work pay**

Workers earning around the minimum wage, especially those supporting children, derive the greatest benefit from the EITC. As illustrated in Figure 1, for example, a parent of two children who works full time in a $9-an-hour job, which at 40 hours a week equates to $18,720, is eligible for a combined state and federal EITC of $7,167, bringing her annual cash income to $25,887. The New York City credit adds $276, bringing the total to $26,163, 130 percent of the poverty level for a family of three.

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**Table 2: EITC Claims by Place of Residence, 2013**

<table>
<thead>
<tr>
<th>County*</th>
<th>Number</th>
<th>Amount ($000)</th>
<th>Avg. Credit ($)</th>
<th>County*</th>
<th>Number</th>
<th>Amount ($000)</th>
<th>Avg. Credit ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany</td>
<td>19,554</td>
<td>11,963</td>
<td>612</td>
<td>Orleans</td>
<td>3,125</td>
<td>2,064</td>
<td>660</td>
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<tr>
<td>Allegany</td>
<td>3,568</td>
<td>2,314</td>
<td>648</td>
<td>Oswego</td>
<td>9,675</td>
<td>6,206</td>
<td>641</td>
</tr>
<tr>
<td>Broome</td>
<td>15,277</td>
<td>9,765</td>
<td>639</td>
<td>Otsego</td>
<td>4,087</td>
<td>2,490</td>
<td>609</td>
</tr>
<tr>
<td>Cattaraugus</td>
<td>6,531</td>
<td>4,344</td>
<td>665</td>
<td>Putnam</td>
<td>3,350</td>
<td>1,655</td>
<td>494</td>
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<tr>
<td>Cayuga</td>
<td>5,816</td>
<td>3,668</td>
<td>631</td>
<td>Rensselaer</td>
<td>10,262</td>
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<td>628</td>
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<tr>
<td>Chautauqua</td>
<td>11,008</td>
<td>7,379</td>
<td>670</td>
<td>Rockland</td>
<td>18,983</td>
<td>15,522</td>
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<td>7,107</td>
<td>4,696</td>
<td>661</td>
<td>St. Lawrence</td>
<td>8,004</td>
<td>5,349</td>
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<td>Chenango</td>
<td>4,026</td>
<td>2,611</td>
<td>649</td>
<td>Saratoga</td>
<td>10,851</td>
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<td>Schenectady</td>
<td>11,961</td>
<td>7,786</td>
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<td>Columbia</td>
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<td>594</td>
<td>Schoharie</td>
<td>2,162</td>
<td>1,294</td>
<td>598</td>
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<td>Cortland</td>
<td>3,566</td>
<td>2,313</td>
<td>649</td>
<td>Schuyler</td>
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<td>837</td>
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<td>641</td>
<td>Seneca</td>
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<td>635</td>
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<td>Dutchess</td>
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<td>8,524</td>
<td>590</td>
<td>Steuben</td>
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<td>4,990</td>
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<td>63,861</td>
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<td>Essex</td>
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<td>Sullivan</td>
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<td>Fulton</td>
<td>4,785</td>
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<td>655</td>
<td>Tompkins</td>
<td>4,986</td>
<td>2,804</td>
<td>562</td>
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<tr>
<td>Genesee</td>
<td>3,992</td>
<td>2,457</td>
<td>615</td>
<td>Ulster</td>
<td>11,574</td>
<td>6,713</td>
<td>580</td>
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<tr>
<td>Greene</td>
<td>3,159</td>
<td>1,910</td>
<td>605</td>
<td>Warren</td>
<td>4,964</td>
<td>2,988</td>
<td>602</td>
</tr>
<tr>
<td>Hamilton</td>
<td>347</td>
<td>196</td>
<td>566</td>
<td>Washington</td>
<td>4,729</td>
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<td>634</td>
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<tr>
<td>Herkimer</td>
<td>4,868</td>
<td>3,162</td>
<td>649</td>
<td>Wayne</td>
<td>6,861</td>
<td>4,368</td>
<td>637</td>
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<tr>
<td>Jefferson</td>
<td>8,433</td>
<td>5,620</td>
<td>666</td>
<td>Westchester</td>
<td>48,937</td>
<td>30,469</td>
<td>623</td>
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<tr>
<td>Lewis</td>
<td>2,017</td>
<td>1,311</td>
<td>650</td>
<td>Wyoming</td>
<td>2,530</td>
<td>1,550</td>
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<tr>
<td>Livingston</td>
<td>3,883</td>
<td>2,372</td>
<td>611</td>
<td>Yates</td>
<td>1,731</td>
<td>1,089</td>
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<td>Madison</td>
<td>4,703</td>
<td>3,062</td>
<td>651</td>
<td>Bronx</td>
<td>194,772</td>
<td>138,837</td>
<td>713</td>
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<tr>
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<td>54,436</td>
<td>35,825</td>
<td>658</td>
<td>Kings</td>
<td>296,361</td>
<td>205,342</td>
<td>693</td>
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<tr>
<td>Montgomery</td>
<td>4,652</td>
<td>3,097</td>
<td>666</td>
<td>New York</td>
<td>123,645</td>
<td>70,209</td>
<td>568</td>
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<td>Nassau</td>
<td>65,986</td>
<td>40,226</td>
<td>610</td>
<td>Queens</td>
<td>242,233</td>
<td>148,002</td>
<td>611</td>
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<tr>
<td>Niagara</td>
<td>15,545</td>
<td>9,734</td>
<td>626</td>
<td>Richmond</td>
<td>28,749</td>
<td>18,208</td>
<td>633</td>
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<tr>
<td>Oneida</td>
<td>18,523</td>
<td>12,820</td>
<td>692</td>
<td>Richmond</td>
<td>28,749</td>
<td>18,208</td>
<td>633</td>
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<tr>
<td>Onondaga</td>
<td>34,233</td>
<td>22,694</td>
<td>663</td>
<td>Richmond</td>
<td>28,749</td>
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<td>Ontario</td>
<td>6,845</td>
<td>4,199</td>
<td>613</td>
<td>All Other*</td>
<td>35,470</td>
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<tr>
<td>Orange</td>
<td>23,828</td>
<td>17,305</td>
<td>726</td>
<td>Grand Total</td>
<td>1,627,408</td>
<td>1,042,793</td>
<td>641</td>
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</tbody>
</table>

* Includes nonresidents and part-year residents who moved out of New York. Part-year residents who move into New York are classified by the county into which they moved.

*Source: NYS Department of Taxation and Finance*
Refundable federal and state child tax credits for the same worker come to $2,660, on top of which a New York City family with typical rent, child care and other expenses will be eligible for a cash-like Supplemental Nutritional Assistance Program (or SNAP, formerly known as Food Stamps) subsidy totaling $6,132, bringing this worker’s total income to $34,955—equivalent to an hourly full-time wage of $16.81.

One of the main points of policymakers on both sides of the aisle is that the EITC and a state minimum wage should work in tandem to increase family incomes. In New York, they already do just that. The state’s current $9-an-hour minimum wage, already higher than those in all but eight states and the District of Columbia, combined with a state EITC at 30 percent of the federal credit, allows the public and private sectors to share the cost of boosting household incomes without overburdening either or leading to job loss. Excluding other tax credits and benefits in Figure 1, the federal and state EITCs alone boost the annual income of the hypothetical family from $18,720 to $25,887, which is 128 percent of the federal poverty guideline for a family of three as of 2016. However, the substantial taxpayer commitment to boosting wages for the working poor through the EITC is not counted in the conventional government measures of poverty. Nor is the income boost supplied by cash-like supplements commonly claimed by EITC earners, such as SNAP and refundable child credits.

Although the tax credit flows directly into the pockets of eligible workers, advocates of the $15 minimum wage have inaccurately characterized the EITC and other cash supplements for low-wage workers as a subsidy of employers—who, in fact, have no involvement in filing for EITC and are not entitled to know which of their workers claim it. Proponents of a higher minimum wage also have lumped EITC with other benefits into the category of “public assistance,” a term that more accurately applies only to welfare entitlements available to individuals whether they work or not.

There is little question that the EITC is more effectively targeted than a minimum wage to accomplish the goal of boosting incomes for low- and lower-middle-income workers, and only those workers. By contrast, a $15-an-hour minimum wage would deliver higher incomes to millions of households that are not poor.

Based on recent national research, a paper issued by the Empire Center and the American Action Forum said 7 percent of the wages generated by a $15 minimum wage would go to families in poverty. The same paper estimated that, when fully implemented, a $15 minimum wage would result in between 200,000 and 588,000 fewer jobs across the state.
In addition to providing cash directly to lowest-income workers, the EITC contributes to the overall progressivity of state taxes. New York’s tax treatment of low-income families is the most favorable of any state with an income tax. Including the EITC, New York as of 2010 had income taxation thresholds of $34,600 for a family of three and $40,300 for a family of four; below those amounts, the state income tax for such families was effectively zero.18

Collecting the credit

Of course, from a worker’s standpoint, the difference between a refundable tax credit and a mandated pay increase is that the credit is collected in a single annual lump sum, while an hourly pay increase flows through weekly or biweekly paychecks. But when the federal government offered an advance payment option—allowing employees to add a portion of their expected, annual federal EITC to their paychecks via a W-5 form—the take-up rate was a low 3 percent19 and the policy was repealed in 2010.20

However, a 2005 survey by the Brookings Institute suggested that EITC recipients were spending the refund in the same way that they would spend a wage increase, with 82 percent of all EITC benefits being used to pay household expenses (including auto, medical, educational and other general expenses), and the remainder divided evenly between debt repayment and savings.

While the EITC provides a generous wage supplement to working families with children, it provides only a meager benefit to working individuals and couples not raising qualifying children, "too small even to fully offset federal taxes for workers at the poverty line."21

Eligibility for the federal EITC for single workers not raising children as of 2015 was capped at $13,660 annually and married couples not raising children at $17,000. The credit is only available to those between the ages of 25 and 64 and therefore does not help younger workers. The maximum federal credit available for these workers is $464. Combined with New York’s maximum of $139, this provides $603 to a household eligible for the maximum credit. Clearly the EITC for childless individuals and couples does not provide nearly the same work incentive or wage supplement effect.

However, New York made a unique foray into addressing these concerns for non-custodial parents. In 2006, New York became the only state in the nation to establish a refundable non-custodial EITC for income-eligible tax filers who have a registered child support order and are current in their payments for the tax year in which they are claiming the non-custodial EITC.

Last renewed through 2016, the non-custodial EITC currently reaches nearly 10,000 individuals. A 2010 preliminary evaluation by the Urban Institute found that relatively few non-custodial parents had been claiming the credit, and recommended steps for boosting awareness of the incentive. The permanent extension of the non-custodial EITC has been proposed in Governor Cuomo’s fiscal 2017 Executive Budget.

About two-thirds of EITC-claiming households complete their tax returns with the help of commercial tax preparers including volunteer income tax assistance sites sponsored by the Internal Revenue Service.22

But many others within that two-thirds use paid preparers who spring up during the annual tax-filing season, offering high interest advances on anticipated EITC credits through refund anticipation loans and refund anticipation checks. The costs of commercial tax preparation fees and loans erode the value of the EITC. Some preparers submit erroneous and incomplete returns, or file fraudulent EITC claims.23
To address such problems, a state Department of Taxation and Finance task force has recommended reforms including minimum age and education requirements for tax preparers, competency examinations, continuing professional education, conduct standards for those who prepare returns for compensation, and increased consumer education about the benefits of free tax preparation. The IRS has also taken a harder stance on tax preparers and refund anticipation loans and larger banks such as JP Morgan Chase and HSBC are ending their use of refund anticipation loans.

Conclusion

The EITC is an example of a program that accomplishes its purpose, insofar as it creates an incentive for non-working adults to seek employment by boosting the financial returns from getting and keeping a job.

Some groups have called for further expansion or enhancement of the credit on a nationwide level, including mitigation of the EITC marriage penalty by expanding income phase-out rates for married couples with young children. There is also bipartisan support for significantly increasing the EITC for childless couples while lowering the eligibility level, including nearly identical proposals from President Obama and House Speaker Paul Ryan. The US Conference of Mayors also has backed further efforts to assist married families and expansion of the childless workers’ EITC.

In October 2013, New York City and the non-profit social policy research group MDRC launched a four-year pilot program known as Paycheck Plus, which creates an EITC-like earnings supplement for low-income workers without dependent children, “with the goal of increasing employment and earnings and reducing poverty.” The findings could provide crucial insights into the potential impact of expanding the EITC for childless workers.

Meanwhile, several bills have been introduced to modify or expand the existing New York State component of the EITC. The most noteworthy is a proposal by Assemblyman Robin Schimminger (A.4340 in the 2016 session) that would expand the state EITC to 35 percent of the federal credit, at a total added cost of $160 million.

Another measure (A.6004), sponsored by Assemblyman Andrew Goodell, would direct state agencies to recommend ways of changing EITC eligibility thresholds to eliminate what Goodell’s support memorandum calls “brick walls” that “discourage a person from accepting a modest increase in salary because such salary increase can be offset by the loss of benefits.”

In addition, a new EITC for younger workers aged 17 to 24 would be created under legislation (S.3884/A.7891) sponsored by state Senator Kevin Parker and Assemblyman Harry Bronson.

While the EITC can ensure that full-time low-wage workers do not live in poverty, it is designed above all to give welfare recipients an added financial incentive to seek employment—which is the best way to leave poverty behind for good. If state officials want to further help low-wage workers, expanding the EITC is the most cost-efficient way to do it.

Russell Sykes is a private consultant on health, human service and tax policy issues. From 2004 to 2011, he served as deputy commissioner of the New York State Office of Temporary and Disability Assistance.

E.J. McMahon is president of the Empire Center for Public Policy, Inc.
ENDNOTES

1 Internal Revenue Service estimates at https://www.eitr.irs.gov/
EITC-Central/eitcstats

2 Steve Holt, “Ten Years of EITC Movement: Making Work Pay
Then and Now”, Brookings Institution Metropolitan Opportunity
Series, April 2011, page 7

3 A child must have a valid Social Security Number and meet all
other IRS tests to qualify as a child for EITC, outlined at https://
www.irs.gov/credits-deductions/individuals/earned-income-
tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc

4 Maximum EITC benefit ranges and phase-out schedules differ
by household types as outlined in http://eitcoutreach.org/wp-
content/uploads/2008/03/Final_Benefits1-12-13-11.pdf

5 Center on Budget and Policy Priorities, “Policy Basics: The
www.cbpp.org/research/federal-tax/policy-basics-the-earned-
income-tax-credit

6 Chapter 170 of the Laws of 1994. Chapter 170 also requires
the New York State Department of Taxation and Finance to
develop an annual report, “Analysis of EITC Credits Claimed”,
detailing the number of EITC claimants and the total credits
issued statewide and in each county.

7 United States Department of Health and Human Services
Administration for Children and Families, Final TANF
regulations, 64 Federal Register 17719-17931 (April 12, 1999).
New York’s EITC law contains language that the state EITC
will revert to 20 percent of the federal EITC if TANF funds are
reduced or no longer able to be claimed as maintenance of
effort.

8 Some federally EITC eligible households lose all or part of
the state EITC because the value of their New York household
credit is subtracted from the state EITC.

9 “Working Families and Individuals Received $1 Billion from the
NYS Earned Income Tax Credit in 2015 – the Highest Ever Paid
in a Year,” New York State Department of Taxation and Finance
rel/2015/12fromnysearnedincometaxcredit122915.htm

10 Claire Montialoux and Jesse Rothstein, Institute for Research
on Labor and Employment, “The New California Earned Income
Tax Credit”, Policy Brief, December 2015, Overview

11 New York State Department of Taxation and Finance press
release, op. cit.

12 Latest data posted at https://data.ny.gov/Government-
Finance/Earned-Income-Tax-Credit-New-York-City-EITC-Claims/
c78k-wvm2

13 Including federal Social Security and Medicare payroll taxes,
without including any other benefits, such a worker costs an
employer $20,155. Unemployment insurance taxes in New York
can add between 2.1 percent and 9.9 percent to this amount.

14 See jurisdictional details from National Conference of
State Legislatures, at http://www.ncsl.org/research/labor-and-
employment/state-minimum-wage-chart.aspx

FederalRegister.gov/articles/2016/01/25/2016-01450/annual-
update-of-the-hhs-poverty-guidelines

16 Douglas Holtz-Eakin and Ben Gitis, “Higher Pay, Fewer
Jobs: Employment and Earnings Effects of Raising New York’s
minimum Wage to $12 and $15 an Hour,” Issue Brief, November
2015, Empire Center for Public Policy and American Action
Forum. http://www.empirecenter.org/publications/higher-pay-
fewer-jobs/

17 Ibid.

18 Center on Budget and Policy Priorities, “The Impact of State
Income Taxes on Low Income Families in 2010”. November 15,
2011

19 “Advance Earned Income Tax Credit: Low Use and
Small Dollars Paid Impede IRS’s Efforts to Reduce High
Noncompliance,” Government Accounting Office, GAO-07-1110,

20 The idea of an advance payment, modified to reflect the
shortcomings of the previous program, has been resurfacing
recently. For a discussions of pros and cons, see https://
jdodgblog.wordpress.com/2015/09/28/a-better-way-to-pay-the-
earned-income-tax-credit/

21 Center on Budget and Policy Priorities, “Policy Basics: The
Earned Income Tax Credit”, February 2012

22 The Internal Revenue Service publicizes locations of its
VITA sites nationwide and many other non-profit organizations
provide free tax preparation.

23 Material presented by the IRS and New York State
Department of Taxation and Finance on March 16, 2012 in New
York City regarding tax preparation issues. Because of rigorous
tax preparer screening efforts the vast majority of all EITC
payments made, at levels of over 93 percent, are accurate.

24 “New York State Report of the Task Force on Regulation
of Tax Return Preparers”, submitted to the NYS Department of
Taxation and Finance, the Governor and the Legislature,
September 28, 2011 as required under the laws of 2009,
Chapter 59, Part VV, S.4

25 National Consumer Law Center and Consumer Federation
of America, “The Party’s Over for Quickie Tax Loans: But Traps
Remain for Unwary Taxpayers,” February 2012

26 “The President’s Proposal to Expand the Earned Income Tax
Credit,” Executive Office of the President and U.S. Treasury
Department, March 2014, at https://www.whitehouse.gov/sites/
default/files/docs/eitc_report_final.pdf

27 “Expanding Opportunity in America: A Discussion Draft,”
House Budget Committee, July 2014, U.S. House of
expanding_opportunity_in_america.pdf

28 U.S. Conference of Mayors, “Repairing the Economic
Ladder, Findings and Recommendations of the Task Force on
Poverty Work and Opportunity,” January 24, 2007, page 17

29 The program evaluation “will also include a follow-up
survey to measure critical outcomes that are not captured in
government records — for example, job characteristics, material
hardship, marriage, and fertility.” See program description,
“Paycheck Plus: A New Poverty Strategy for Single Adults in
paycheck_plus_about.pdf

30 Legislative sponsor’s memorandum for A.4340.

31 The same provision was included in a recent income tax
measure (A.9179) proposed by Assemblyman Herman Farrell,
but that bill also includes a steep, permanent new “millionaire
tax” applying to income thresholds of $1 million, $5 million and
$10 million.