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# Could West Virginia's Tax System be Changed to Help the Working Poor?

CHARLESTON, W.Va. - West Virginia's working poor have large levels of debt, and they also face higher state income [taxes](#) than most states. According to credit agency Transunion, West Virginia borrowers carry an average of more than \$7,000 of credit card debt.

Ted Boettner, executive director of the West Virginia Center on Budget & Policy, says the state is one of the worst for taxing the working poor. Cutting the tax rate for low-wage workers could help struggling families dig themselves out, he says.

"They have higher amounts of debt, they also have seen their wages stagnate over the last 30 years. Reducing income taxes for the working poor could both encourage work and reduce poverty."

Although the state has cut the sales tax on food, lawmakers have not reduced income taxes for low-wage workers. Some legislators would like to reduce business taxes in the interest of spurring growth, but Boettner says that tactic usually does not work.

Despite steps in the last two decades to reduce the state tax burden on the poor, it is still one of the highest in the country, Boettner says.

"Even with that progress, we're still taxing poor families more than most states. In West Virginia, families of four are actually paying income tax, even though that they're at the federal poverty level."

He says a state Earned Income Tax Credit, like the federal credit, would reward only those people who work. That could do a lot to help the state's working poor reduce their debt and build up their assets, he says.

"One of the most successful anti-poverty programs in the country is the federal Earned Income Tax Credit. Over the course of the last 10 years, states have increasingly adopted their own state tax credit, and West Virginia could do the same."

More information on West Virginia's taxes on the working poor is available at <http://tinyurl.com/7bmbwng>. A scorecard for how the state's families are doing financially is at <http://tinyurl.com/6prm2ua>.

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