

*Immediate Release*

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## **Pro-Work Tax Cut Would Boost Families and the Economy West Virginia Would be 27<sup>th</sup> State to Have Its Own Earned Income Tax Credit**

(Charleston, WV) Too many working families in West Virginia are paid low wages and have trouble making ends meet, with basic living expenses stretching family budgets beyond their limits. With tax overhaul a likely focus of the 2016 Legislative Session, a bottom-up tax cut like a state Earned Income Tax Credit could ensure that people who work hard for low pay are not left out of the discussion, according to a new report by the West Virginia Center on Budget and Policy, "A Tax Cut for Working Families: A West Virginia Earned Income Tax Credit."

"By creating an Earned Income Tax Credit, West Virginia would give a well-deserved break to those who work but struggle to get by on low wages, while also boosting local economies across the state," stated Sean O'Leary, Senior Fiscal Policy Analyst with the West Virginia Center on Budget and Policy and author of the report.

A West Virginia EITC would be a common sense tax break that helps people make ends meet and keep working despite low wages, which benefits their families and communities. It would help them keep more of what they earn so they can spend it in their local economies.

"West Virginia's working families drive our economy. Investing in working families will provide immediate dividends to local businesses across the state and create a brighter future for West Virginia's children," explained Seth DiStefano, State EITC Campaign Coordinator with the West Virginia Center on Budget and Policy.

### **Key Findings of the report:**

- **EITCs provide a bottom-up tax cut for working families.** The federal EITC benefited 157,000 low and moderate income tax filers in West Virginia in 2014, with an average benefit of \$2,214. Working West Virginians across the state, in fields as diverse as health care, retail, and construction, stand to gain from creating a state EITC.
- **State EITCs are popular and have broad support.** 26 states have enacted state versions of the EITC, making their tax systems fairer, and building on the federal credit's success at reducing poverty and encouraging work.
- **A state EITC would boost small businesses, local economies, and West Virginia's future workforce.** Set at 15% of the federal credit, a West Virginia EITC would benefit 141,000 low- and moderate-income households, including 161,000 children, across all 55 counties, pumping millions into West Virginia's communities and giving customers more disposable income to spend in their communities. It would also strengthen the foundation for young people who make up West Virginia's future workforce, as research shows that children in families who receive the EITC are likelier to excel in school, graduate high school, attend college, and earn more as adults.