

EITC Age Parity Act

H.R. 5689

On September 26, 2023, Representatives Judy Chu (CA) and Gwen Moore (WI) introduced the EITC Age Parity Act, H.R. 5689. The bill would expand the EITC to workers without dependents ages 18 to 24 and 65 and older. This bill eliminates the age restrictions that prevent young and senior workers from claiming the EITC. The leading organizations include Golden State Opportunity, Coalition of Franchisee Associations and the Critical Labor Coalition.

BACKGROUND OF THE EARNED INCOME TAX CREDIT (EITC) | The Earned Income Tax Credit (EITC) was created by the Tax Reduction Act of 1975, which was signed into law by President Gerald Ford. The EITC is a tax credit that reduces the federal income and payroll taxes for low- and moderate-income workers. In 2022, 31 million workers received about \$64 billion through the EITC. The average EITC dollar amount received was about \$2,064 per filer.

The EITC has historically received bipartisan support and was expanded by presidents Reagan, Bush, Trump, and Clinton. The EITC has become one of the most effective tax relief provisions for reducing poverty and increasing the labor supply while also contributing to local economic growth.

In 2021, the American Rescue Plan temporarily expanded the EITC to workers ages 19 to 24 and 65 and older with no dependents. The EITC expansion played a significant role in lifting 16 million workers out of poverty. Unfortunately, the EITC expansion expired at the end of 2022.

ISSUE | Every year under current law, nearly 7 million workers ages 18 to 24 and 65 and older are excluded from the EITC because of their age. This is despite the fact that seniors and young workers are the fastest growing age groups in the labor force. At the same time, seniors and young workers are experiencing higher rates of poverty. The EITC Age Parity Act would provide much needed cash relief to millions of workers.

SOLUTION | Today's economic reality for workers and employers is vastly different than it was in 1975. The expansion of the EITC would better reflect our current workforce. We need to permanently eliminate age restrictions that prevent younger and older workers with no dependents from claiming the EITC.

H.R. 5689 | SUPPORTERS



Other supporters include: New Economics for Women, El Concilio, Inland Equity Community Land Trust, Watts Labor Community Action Committee/Family Resource Center, National Women’s Law Center, The Academy of Financial Education, Women of Color Global Women’s Strike, Shriver Center on Poverty Law, Phillis Bridge Farm Project, Coalition for Responsible Community Development/Vernon Central Worksource Center, Inland Equity Partnership, and Maine People’s Alliance.