



North Carolina Department of State Treasurer

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MOORE ADVOCATES FOR STATE EARNED INCOME TAX CREDIT

Treasurer Joins with State Leaders, Workers to Call for Policies to Help Working Families

RALEIGH – With the General Assembly heading back to work next month, State Treasurer Richard Moore today advocated for the implementation of a state Earned Income Tax Credit (EITC) to help North Carolina's working families. Moore, who was the first statewide elected official to call for an increase in the state's minimum wage, said that the state EITC would build on the success of the minimum wage increase and help more than 700,000 North Carolina families.

“With the cost of health care, food and gas on the rise, too many families continue to struggle to make ends meet. Last year, we were successful in raising the state’s minimum wage by one dollar, and now we should build on that success by enacting a state version of the federal earned income tax credit. A state EITC rewards North Carolina values – hard work, family and playing by the rules. The EITC will work hand-in-hand with the increased minimum wage to help North Carolinians improve their situation and that of their families. Now that business has done its part with the minimum wage, enacting an EITC is the right thing to do to help 700,000 North Carolina families.”

The federal EITC was created in 1975 to offset the effects of federal payroll taxes on low-income families. It is administered through the personal income tax and is based on the individual's income, filing status and number of dependents, encouraging work and responsibility. Research shows that the credit has contributed to a significant increase in labor force participation among single mothers and that many recipients use the refund to pay off debt, invest in education or pay for housing.

More than 20 states, including the District of Columbia, have enacted a state EITC. In North Carolina, a state EITC set at 10 percent of the federal credit would add \$136 million to low-income families' income. A 10 percent refundable EITC would reduce the tax burden of the lowest 20 percent of income earners, those earning less than \$17,000, by half a percent, and reduce the tax burden of those earning between \$17,000 and \$49,000 by 0.4 percent.

Moore was joined at today's press conference by representatives from ACORN and the Common Sense Foundation, as well as a North Carolina worker who stressed the importance of policies that help working families. ACORN has established a "Working Families Agenda" that addresses many of the issues facing North Carolina families.

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