



Legislation Text

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Res. No. 1370

Resolution calling upon the New York State Legislature to adopt and the Governor to sign legislation to enact a new version of the State and the City's Earned Income Tax Credit to enable taxpayers with an individual taxpayer identification number to qualify for and claim the tax credit.

By Council Member Cabrera

Whereas, According to a 2013 report of the Economic Policy Institute, *The Earned Income Tax Credit and the Child Tax Credit History, Purpose, Goals, and Effectiveness*, the federal earned income tax credit, or EITC, was enacted by the Tax Reduction Act of 1975 and was targeted to low- and moderate-income taxpayers as a means of incentivizing work and to significantly reduce taxes on those families with children; and

Whereas, The EITC is a refundable personal income tax credit, the value of which depends on the number of qualifying children claimed by a taxpayer and which phases out as income increases; and

Whereas, According to a 2006 article by the Brookings Institute, *Using the Earned Income Tax Credit to Stimulate Local Economies*, when the EITC was implemented in 1975, it reached only 6.2 million recipients and provided \$1.25 billion in credits; and

Whereas, According to the Internal Revenue Service, *Statistics for Tax Returns with EITC*, by December 2019, about 25 million eligible workers and families received about \$63 billion in EITC nationwide, with the average EITC received nationwide at about \$2,476; and

Whereas, In New York State about 1.6 million taxpayers received \$3.8 billion in EITC statewide, with the average EITC received at about \$2,346; and

Whereas, From 1995 to 2009, the EITC distributed more funds to recipients than the Supplemental Nutrition Assistance Program, and by 2001, the EITC distributed more funds than the Temporary Assistance to

Needy Families program, according to a 2012 journal article published in the Social Service Review, *The Role of Earned Income Tax Credit in the Budgets of Low-Income Families*; and

Whereas, EITC has had more impact on the finance of low-income families in comparison to other benefit programs as more taxpayers qualify to receive the tax credit; and

Whereas, Despite the EITC's benefits to low- and moderate-income families, undocumented immigrants may not qualify to receive the tax credit, despite paying billions in personal income taxes; and

Whereas, The State's and the City's EITC is equal to 30 percent and 5 percent of the taxpayers federal EITC, respectively, but in order to receive the federal EITC you are required to have a Social Security Number, something that undocumented immigrants do not have, and individual taxpayer identification numbers (ITIN) issued by the Internal Revenue Service are not sufficient to claim either the federal, State or City credit; and

Whereas, Because undocumented immigrants are not eligible to receive the EITC that is currently available in New York State or City, a new version of the EITC should be enacted for the State and New York City so as to expand it to provide benefits to low- and moderate-income families, regardless of immigration status, and to accept ITINs as a form of identification to receive the credit; and

Resolved, That the Council of the City of New York calls upon the New York State Legislature to adopt and the Governor to sign legislation to enact a new version of the State and the City's Earned Income Tax Credit to enable taxpayers with an individual taxpayer identification number to qualify for and claim the tax credit.

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