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Refundable State EITC Would Help Working Families in Every Legislative District Across Virginia

New analysis shows how many working families currently receive the EITC

Richmond, VA – The federal Earned Income Tax Credit (EITC) currently helps over 600,000 families in Virginia each year make ends meet, supports local economies, and encourages work. Many of these families also claim Virginia’s state EITC, and Governor Northam has proposed a measure to strengthen the state credit, which would benefit hundreds of thousands of working families in every legislative district across the state, according to [a new report](#) from The Commonwealth Institute for Fiscal Analysis, an economic and policy research organization in Richmond.

For example, in House Speaker Kirk Cox’s 66th district (Chesterfield and Colonial Heights) 5,800 people claim the EITC, and in House Appropriations Chairman Chris Jones’s 76th district (Chesapeake and Suffolk), there are 7,100 EITC tax filers. On the Senate side, Senate Finance Committee co-chairmen each have over 12,000 constituent households who file for the federal EITC: Tommy Norment (District 3) has 12,600 filers and Emmett Hanger (District 24) has 16,200 filers. (You can find the numbers for every lawmaker, and every locality, across the state [here](#).)

The EITC is a targeted working families tax credit that reduces a family’s income tax bill, and, at the federal level, provides a refund if the amount of the credit exceeds the income tax owed. However, unlike the federal EITC, Virginia’s state-level EITC is not refundable. If the value of their state credit exceeds the amount of state income tax a family owes, the family misses out on the full value. A stronger state EITC would help to offset the many other state and local taxes paid by working families, taxes which often take a larger share of the incomes of workers with low to moderate incomes compared to the highest-income households.

“The numbers are clear. In communities across Virginia, thousands of families have worked hard to earn this credit and would benefit greatly from the extra support a refundable EITC would provide,” says Chris Wodicka, author of the report.

Twenty-nine states and the District of Columbia have enacted their own state EITCs, and 24 of these are refundable. During the 2019 legislative session, Virginia lawmakers will have the opportunity to join this group and give workers and their communities a boost.

The full report, [*A Refundable EITC Helps Working Families in Every District*](#), is available online at www.thecommonwealthinstitute.org.

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About The Commonwealth Institute

The Commonwealth Institute for Fiscal Analysis provides credible, independent, and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons. Our products inform fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole. Visit www.thecommonwealthinstitute.org for more information.