

2021 Prenatal-to-3 State Policy Roadmap

STATE EARNED INCOME TAX CREDIT

What progress have states made to adopt and fully implement a refundable state EITC of at least 10%?

State	Policy Progress
Alabama	Alabama does not have a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Alabama.
Alaska	Alaska does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Alaska.
Arizona	Arizona does not have a state EITC. In the last year, Arizona legislators filed two bills to adopt a refundable state EITC. One bill, S.B. 1040, proposed a 5% refundable credit and passed in the Senate, but did not move forward in the House. The other, HB. 2347, did not move past introduction, but proposed a 50% refundable credit. Neither bill passed both chambers.
Arkansas	Arkansas does not have a state EITC. The state does have a tax exemption for low-income residents that effectively has the same impact as a nonrefundable EITC for eligible taxpayers. In the past year, legislators filed one bill, S.B. 2, to adopt a 5% refundable state EITC. The bill did not move forward in the legislative process.
California	Currently, California's refundable state EITC is equal to up to 85% of the federal credit for workers with very low levels of income, and approximately 40% for other workers. California's EITC is available to those with wage or self-employment income of \$30,000 or less. The credits phase in and out at different income levels, determined annually by the state legislature. In the past year, legislators did not propose changes to the credit value, but they did propose several bills that sought to expand access to the credit through tax preparation assistance, and the exclusion of COVID-19 relief funds in income calculations for eligibility for any benefits. Additional bills were proposed to promote data-sharing between agencies to increase EITC take-up among eligible households. A number of these bills passed as of August 1, 2021, including the data sharing effort proposed in A.B. 150, and \$5 million in funding for tax preparation assistance in A.B. 81.
Colorado	Currently, Colorado has a refundable state EITC equal to 10% of the federal credit. In the last year, H.B. 21-1311 passed which will increase Colorado's 10% refundable EITC to 20% for tax year 2022, with a scheduled increase to 25% for tax years 2023 to 2025. Another bill, H.B. 20-B 1021, proposed repealing the expansion of eligibility for the state's EITC to ITIN holders and did not pass; therefore, ITIN holders remain eligible in the state.
Connecticut	This year, Connecticut passed a budget bill that included increasing the refundable state EITC from 23% of the federal credit to 30.5%, effective tax year 2021. The state's EITC was first established in 2011 at 30% of the federal credit, and has seen fluctuations in generosity level since then. Among the other seven bills related to the state EITC proposed by legislators in the last year, most bills sought to increase generosity of the credit and/or expand eligibility to ITIN holders, such as in S.B. 472. One bill, S.B. 290, proposed eliminating the state's EITC. None passed of these bills passed.

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Delaware	Currently, Delaware has a nonrefundable state EITC equal to 20% of the federal credit. In the last year, state legislators proposed two bills related to the EITC. One bill, H.B. 16, would allow recipients to choose between a nonrefundable credit of up to 20% of the federal EITC or a refundable EITC of up to 4.5% of the federal EITC. The bill passed and, as of August 1, 2021, is awaiting the governor's signature. Implementation will likely be delayed, as the bill suggests the law will go into effect after a number of administrative requirements are met.
District of Columbia	The District of Columbia has a refundable state EITC equal to 40% of the federal credit. The District of Columbia's EITC was enacted in 2001 at 10% of the federal credit and gradually increased until it reached 40% in 2009. The credit was expanded in 2015 to allow more childless workers to qualify through higher income eligibility thresholds. In the last year, councilmembers passed the FY22 budget bill, B. 24-0285, which includes an increase of the District of Columbia's refundable EITC from 40% to 100% by 2026, with temporary increases to 70% in tax year 2022 and 85% in 2025. As of August 15, 2021, the bill had passed its final reading in the council and was awaiting the mayor's signature.
Florida	Florida does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Florida.
Georgia	Georgia does not have a state EITC. The state does offer a small tax credit for taxpayers with incomes below \$20,000. This credit does not have a work requirement. In the last year, legislators proposed four bills to adopt an EITC in Georgia. Three of the bills, H.B. 95, S.B. 58, and H.B. 672, proposed a refundable EITC (two at 10% refundable and one at 20%) and one bill, H.B. 510, proposed a nonrefundable EITC. None of these bills moved past introduction.
Hawaii	Currently, Hawaii has a nonrefundable state EITC of 20% of the federal credit, but the credit is set to expire following tax year 2022. In the last year, legislators proposed one bill, H.B. 432, to extend the 20% nonrefundable EITC to at least tax year 2027, but the bill failed to pass.
Idaho	Idaho does not have a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Idaho.
Illinois	Currently, Illinois has a refundable state EITC equal to 18% of the federal credit. In the last year, legislators proposed two bills, H.B. 2792 and S.B. 2184, to expand eligibility for the state's EITC to ITIN holders, individuals ages 65 and older without dependents, and those ages 18 to 24 without dependents. As of August 1, 2021, the state legislature was still in session and neither bill had passed.
Indiana	Currently, Indiana has a refundable state EITC equal to 9% of the federal credit, but the credit will increase to 10% in 2022. Legislators proposed two bills in Indiana in the last year to increase the value of the state's EITC. H.B. 1009 passed and will increase the EITC from 9% to 10%, effective for tax year 2022.
Iowa	Currently, Iowa has a refundable state EITC equal to 15% of the federal credit. In the last year, legislators proposed five bills in Iowa related to their EITC, mostly regarding appropriations for public education and outreach or tax preparation assistance. One of these bills, H.F. 891, passed and will provide \$195,000 in tax preparation assistance for low-income residents.
Kansas	Currently, Kansas has a refundable state EITC equal to 17% of the federal credit. Legislators proposed no bills in the last year related to changing Kansas's EITC.

State	Policy Progress
Kentucky	Kentucky does not have a state EITC. The state does, however, allow for a credit against tax liability that is equal to 100% of tax liability for annual gross incomes less than \$5,000 and the credit becomes smaller until income reaches \$25,000 annually. This credit is similar to a nonrefundable state EITC. In the last year, legislators proposed no bills to adopt an EITC.
Louisiana	Currently, Louisiana has a refundable state EITC equal to only 5% of the federal credit. In the last year, Louisiana legislators proposed seven bills to increase the EITC's value, expand eligibility, or extend the temporary measure that first adopted the EITC. One bill, H.B. 678, passed and will extend the state's 5% refundable EITC to 2030 (the credit was previously enacted through tax year 2025).
Maine	Currently, Maine has a refundable state EITC equal to 12% of the federal credit for residents with a qualifying child or equal to 25% of the federal credit for residents without a qualifying child. Despite granting a higher percentage of the federal credit to childless workers, those with dependents still have a substantially higher maximum credit amount. In the last year, legislators proposed two bills in Maine to expand the generosity or eligibility criteria for the state EITC. One bill, L.D. 1651, passed and will extend eligibility to ITIN holders. The state EITC was last increased during the 2019 legislative session and lowered the age of eligibility for childless workers from 24 to 18, effective for tax year 2020.
Maryland	Currently, Maryland has a refundable state EITC equal to 45% of the federal credit. In the last year, state legislators proposed three bills to expand eligibility or generosity of the EITC. Legislators filed two companion bills that would have allowed certain individuals with qualifying children to claim an increased credit. Legislators also introduced S.B. 218, which was ultimately enacted and will expand eligibility for the state's EITC to ITIN holders for tax years 2020, 2021, and 2022. The bill also temporarily increased the refundable portion of the EITC from 28% to 45% through 2022, but the 28% refundability will resume in tax year 2023. Legislation was enacted during the 2018 legislative session that expanded the state EITC to younger workers (ages 18 to 25), effective tax year 2018.
Massachusetts	Currently, Massachusetts has a refundable state EITC equal to 30% of the federal credit. In the last year, legislators proposed six bills in Massachusetts, including H. 2871 and S. 1852, to increase the value of the state's EITC, expand eligibility for the EITC, or expand access to the EITC through tax preparation assistance programs. As of August 1, 2021, the state legislature was still in session and the bills remained active, but none had passed.
Michigan	Currently, Michigan has a refundable state EITC equal to only 6% of the federal credit. In the last year, legislators proposed four bills in Michigan to increase the value of the EITC. Three of these bills, H.B. 4986, H.B. 4933, and S.B. 105, proposed increasing the state's EITC to at least 20%, the other, S.B. 417, proposed a gradual increase to 10% of the federal credit. As of August 1, 2021, the state legislature was still in session and none of the bills had moved past introduction.
Minnesota	Currently, Minnesota has a refundable state EITC, which on average, equals 39% of the federal credit. In the last year, legislators proposed six bills in Minnesota, including S.F. 1842 and H.F. 1925, to increase the EITC's value or expand eligibility for the credit. None of these bills moved past initial introduction. Unlike most states' EITC structures, Minnesota's refundable EITC (called the Minnesota Working Family Credit or WFC) is not calculated as a simple percentage of the federal EITC, but rather as a percentage of income.
Mississippi	Mississippi does not have a state EITC. In the last year, legislators proposed one bill, H.B. 1144, that would have enacted a refundable 10% EITC, but the bill died in committee.

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Missouri	In the last year, Missouri legislators adopted a nonrefundable 10% state EITC that will be implemented in tax year 2023 and will be the state's first adoption of an EITC. The credit value will increase to 20% if state revenues increase by \$150 million. The bill that passed, S.B. 153, was one of three bills legislators proposed to adopt an EITC, including a companion bill, H.B. 66.
Montana	Currently, Montana has a refundable state EITC equal to only 3% of the federal credit. In the last year, legislators proposed two bills, H.B. 631 and H.B. 424, to increase the generosity of Montana's EITC from 3% to 10%. Both bills died in the legislative process.
Nebraska	Currently, Nebraska has a refundable state EITC equal to 10% of the federal credit. In the last year, legislators proposed one bill, L.B. 318 to increase the generosity of the EITC from 10% to 20%, but the legislation was indefinitely postponed.
Nevada	Nevada does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC.
New Hampshire	New Hampshire does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC.
New Jersey	Currently, New Jersey has a refundable state EITC equal to 40% of the federal credit. In the last year, legislators proposed nine bills in New Jersey to expand eligibility or increase the generosity of the state EITC. Governor Murphy's FY21 budget expanded age eligibility and lowered the threshold from 25 to 21 years of age to qualify for a modified percent of the credit. In the last year, legislators proposed and passed A. 5345, which further extends state EITC eligibility to workers ages 18 and older, regardless of dependents, for the full credit amount.
New Mexico	New Mexico has a refundable state EITC that increased from 17% to 20% of the federal credit this year. In the last year, legislators proposed two bills to increase the generosity of, or expand eligibility for, the state's EITC. One bill, H.B. 291, was passed and enacted which increases the EITC to 20% of the federal credit for tax years 2021 and 2022 and 25% for tax year 2023. The legislation also extends eligibility to ITIN holders and those between ages 18 and 24 without dependents.
New York	Currently, New York has a refundable state EITC equal to 30% of the federal credit. In the last year, legislators proposed a range of modifications to the state's EITC through nine bills, including A. 2533 and S. 1432, to provide advanced payment of the EITC, increase New York City EITC's value, and expand eligibility. None of these bills passed this session. The New York State EITC interacts with the state's separate, nonrefundable household credit; the EITC that a person or couple receives is reduced by the household credit that is received. Since 2003, the state has also allowed cities with a population of one million or more to enact a city-level EITC of 5%, which New York City has enacted.
North Carolina	North Carolina does not have a state EITC. Legislators proposed four bills in the last year to enact a state EITC. Two bills, H. 850 and S. 181, proposed a refundable 5% credit and two companion bills, H. 499 and S. 576, proposed a refundable 20% credit. As of August 1, 2021, the state legislature was still in session and none of these bills had moved past introduction.

State	Policy Progress
North Dakota	North Dakota does not have a state EITC. In the last year, legislators proposed one bill, H.B. 1421, to enact a refundable 25% state EITC. The bill failed in the House after its second reading.
Ohio	Currently, Ohio has a nonrefundable state EITC equal to 30% of the federal credit. In the last year, legislators proposed one bill, H.B. 59, that would have decreased Ohio EITC's value, but added partial refundability. As of August 1, 2021, the state legislature was still in session and the bill had not moved past introduction.
Oklahoma	Currently, Oklahoma has a nonrefundable EITC equal to 5% of the federal credit, but legislation that passed in the last year (H.B. 2962) will make the 5% credit refundable beginning in tax year 2022. Oklahoma's state EITC was previously refundable until that feature was rolled back in May 2016.
Oregon	Currently, Oregon has a refundable state EITC equal to 12% of the federal credit for residents with dependents under the age of 3 and 9% for all other eligible residents. In the last year, legislators proposed three bills in Oregon to increase the generosity of or expand eligibility for the EITC. One bill, H.B. 2433, passed and will extend eligibility to ITIN holders for tax years 2022 through 2026.
Pennsylvania	Pennsylvania does not have a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Pennsylvania.
Rhode Island	Currently, Rhode Island has a refundable state EITC equal to 15% of the federal EITC. In the last year, legislators proposed three bills, S.B. 221, H.B. 5013, and H.B. 5366 related to increasing the Rhode Island EITC's value, from 15% to 18%, 20%, and 50%, respectively. As of August 1, 2021, the state legislature was still in session and none of the bills had moved past introduction.
South Carolina	Currently, South Carolina has a nonrefundable state EITC equal to 83.33% of the federal EITC. In the last year, South Carolina legislators proposed one bill, S.B. 341, to extend EITC eligibility to special populations. As of August 1, 2021, the state legislature was still in session and the bill had not moved past introduction. During the 2017 to 2018 legislative session, the legislature passed and established an incremental increase to South Carolina's nonrefundable EITC. The 2021 phase-in amount is 83.33%, the 2022 amount is 104.17%, and the 2023 amount is 125% of the federal credit.
South Dakota	South Dakota does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC.
Tennessee	Tennessee does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC.
Texas	Texas does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC.
Utah	Utah does not have a state EITC. In the last year, legislators proposed one bill, H.B. 309, to adopt a refundable EITC equal to 10% of the federal credit, but the bill did not move past introduction.

State	Policy Progress
Vermont	Currently, Vermont has a refundable state EITC equal to 36% of the federal credit. In the last year, legislators proposed one bill, H.B. 297, to increase the value of Vermont's EITC to 52% of the federal credit, but it did not move past introduction.
Virginia	Currently, Virginia has a nonrefundable state EITC equal to 20% of the federal credit. Legislators did not propose any bills in the last year in Virginia to adopt a refundable EITC, or expand eligibility or increase generosity of the state's EITC.
Washington	Currently, Washington does not have a state EITC, but will implement its refundable EITC for the first time in tax year 2022. Washington's state EITC was first enacted in 2008, but never funded (the state does not have an income tax). In the last year, legislators proposed three bills to fund and/or expand Washington's EITC. One bill, H.B. 1297, was passed and enacted, and funds the EITC, providing a flat rebate of between \$300 and \$1,200, depending on the number of dependents in the household. Washington will be the first state to implement a refundable state EITC despite not having an income tax, when the credit is available, beginning in tax year 2022.
West Virginia	West Virginia does not have a state EITC. In the last year, legislators proposed four bills including, H.B. 3240 and S.B. 571, to adopt a refundable EITC between 15% and 25% of the federal credit, but none of the bills moved past introduction.
Wisconsin	Currently, Wisconsin has a refundable state EITC equal to 4% of the federal EITC for families with one qualifying child, 11% for families with two qualifying children, and 34% for families with three or more qualifying children. Therefore, a refundable credit of at least 10% of the federal EITC is not available to all families with children. In the last year, legislators proposed two bills, S.B. 126 and A.B. 80, to allow individuals to file for the EITC for tax year 2020 based on their income from a previous tax year. As of August 1, 2021, the state legislature was still in session; however, neither bill had moved past introduction and no other legislation related to state EITC was introduced.
Wyoming	Wyoming does not have a state EITC, and the state does not have an income tax, which is the typical mechanism used to finance and provide administrative structure for a state EITC. Legislators did not propose legislation in the last year to adopt a state EITC in Wyoming.

Find additional information on the [methods and sources](#) used throughout the Roadmap and for each state.