

28-Jul-10

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2009**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Delaware	20%	No	Yes
District of Columbia	40%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana	9%	Yes	Yes
Iowa	7%	Yes	Yes
Kansas	17%	Yes	Yes
Louisiana	3.5%	Yes	Yes
Maine	5%	Partially ^a	Yes
Maryland ^b	25%	Yes	Yes
Massachusetts	15%	Yes	Yes
Michigan	20% ^c	Yes	Yes
Minnesota ^d	Average 33%	Yes	Yes
Nebraska	10%	Yes	Yes
New Jersey	25%	Yes	Yes
New Mexico	10%	Yes	Yes
New York ^e	30%	Yes	Yes
North Carolina ^f	5%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon ^g	6%	Yes	Yes
Rhode Island	25%	Partially ^h	Yes
Vermont	32%	Yes	Yes
Virginia	20%	No	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds and again in 2005 as a result of a voter-approved five-year suspension of TABOR. Under current law, the rebates will resume in 2011, but a recent income tax cut that also depends on the rebates is likely to exhaust the funds, leaving the EITC unfunded.

Washington has enacted a refundable credit equal to the greater of 5 percent of the federal EITC or \$25, effective in TY 2009 and scheduled to rise to 10 percent with a \$50 minimum in 2010. The credit's implementation required an appropriation; because of the recession and resulting budget shortfall policymakers did not finance the credit for 2009, so the credit is currently on hold.

^a In 2009, Maine passed legislation making its EITC partially refundable. The change will take place in TY 2010.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Michigan's EITC is scheduled to increase to 20 percent of the federal credit in 2009. However, as part of budget cuts, the state legislature is considering freezing the credit at 10 percent.

^d Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^e Should the federal government reduce New York's share of the TANF block grant, the New York credit would be reduced automatically to the 1999 level of 20 percent.

^f North Carolina's EITC is scheduled to expire in 2013.

^g Oregon's EITC is scheduled to expire at the end of 2013.

^h Rhode Island made a very small portion of its EITC refundable effective in TY 2003. In 2006, the refundable portion was increased to 15 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 3.75 percent of the federal credit).

Source: Erica Williams, Nicholas Johnson and Jon Shure, "State Earned Income Tax Credits: 2009 Legislative Update," Center on Budget and Policy Priorities (November 10, 2009).

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2008**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Delaware	20%	No	Yes
District of Columbia	40%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana	6%	Yes	Yes
Iowa	7%	Yes	Yes
Kansas	17%	Yes	Yes
Louisiana	3.5%	Yes	Yes
Maine	5%	No	Yes
Maryland ^a	25%	Yes	Yes
Massachusetts	15%	Yes	Yes
Michigan	10%	Yes	Yes
Minnesota ^b	Average 33%	Yes	Yes
Nebraska	10%	Yes	Yes
New Jersey	22.5%	Yes	Yes
New Mexico	10%	Yes	Yes
New York ^c	30%	Yes	Yes
North Carolina ^d	3.5%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon ^e	6%	Yes	Yes
Rhode Island	25%	Partially ^f	Yes
Vermont	32%	Yes	Yes
Virginia	20%	No	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds and again in 2005 as a result of a voter-approved five-year suspension of TABOR. Under current law, the rebates will resume in 2011, but a recent income tax cut that also depends on the rebates is likely to exhaust the funds, leaving the EITC unfunded.

^a Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^b Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^c Should the federal government reduce New York's share of the TANF block grant, the New York credit would be reduced automatically to the 1999 level of 20 percent.

^d North Carolina's EITC is scheduled to expire in 2013.

^e Oregon's EITC is scheduled to expire at the end of 2013.

^f Rhode Island made a very small portion of its EITC refundable effective in TY 2003. In 2006, the refundable portion was increased to 15 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 3.75 percent of the federal credit).

Source: Jason Levitis and Jeremy Koulish, "State Earned Income Tax Credits: 2008 Legislative Update," Center on Budget and Policy Priorities (October 8, 2008).

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2007**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Delaware	20%	No	Yes
District of Columbia	35%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana ^a	6%	Yes	Yes
Iowa	7%	Yes	Yes
Kansas	17%	Yes	Yes
Maine	5%	No	Yes
Maryland ^b	20%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Average 33%	Yes	Yes
Nebraska	8%	Yes	Yes
New Jersey	20%	Yes	Yes
New Mexico	8%	Yes	Yes
New York ^d	30%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon ^e	5%	Yes	Yes
Rhode Island	25%	Partially ^f	Yes
Vermont	32%	Yes	Yes
Virginia	20%	No	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds and again in 2005 as a result of a voter-approved five-year suspension of TABOR. Under current law, the rebates will resume in 2011, but a recent income tax cut that also depends on the rebates is likely to exhaust the funds, leaving the EITC unfunded.

^a Scheduled to expire in TY 2011.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d Should the federal government reduce New York's share of the TANF block grant, the New York credit would be reduced automatically to the 1999 level of 20 percent.

^e Oregon's EITC is scheduled to expire in 2011.

^f Rhode Island made a very small portion of its EITC refundable effective in TY 2003. In 2006, the refundable portion was increased to 15 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 3.75 percent of the federal credit).

Source: Jason Levitis and Jeremy Koulisch, "A Majority of States with Income Taxes Have Enacted State Earned Income Tax Credits," Center on Budget and Policy Priorities (October 5, 2007).

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2006**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Delaware	20%	No	Yes
District of Columbia	35%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana ^a	6%	Yes	Yes
Iowa	6.5%	No	Yes
Kansas	15%	Yes	Yes
Maine	5%	No	Yes
Maryland ^b	20%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Average 33%	Yes	Yes
Nebraska	8%	Yes	Yes
New Jersey ^d	20%	Yes	No
New York ^{e,f}	30%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon	5%	Yes ^g	Yes
Rhode Island	25%	Partially ^h	Yes
Vermont	32%	Yes	Yes
Virginia	20%	No	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	4% - one child 14% - two children 43% - three children	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds and again in 2005 as a result of a voter-approved five-year suspension of TABOR. Under current law, the rebates will resume in 2011.

^a Scheduled to expire in TY 2011.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

^f Beginning in 2006, New York also allows certain non-custodial parents who are making child support payments to claim an EITC that is the greater of 20 percent of the federal EITC that they would be eligible for with one qualifying child as a custodial parent or 250 percent of the federal EITC for taxpayers without qualifying children.

^g The refundability of the credit is scheduled to expire on January 1, 2011.

^h Rhode Island made a very small portion of its EITC refundable effective in TY 2003. In 2006, the refundable portion was increased to 15 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 3.75 percent of the federal credit).

Source: Ifie Okwuje and Nicholas Johnson, "A Rising Number of State Earned Income Tax Credits Are Helping Working Families Escape Poverty," Center on Budget and Policy Priorities (October 20, 2006).

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2005**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
District of Columbia	35%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana ^a	6%	Yes	Yes
Iowa	6.5%	No	Yes
Kansas	15%	Yes	Yes
Maine	4.92%	No	Yes
Maryland ^b	20%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Average 33%	Yes	Yes
Nebraska	8%	Yes	Yes
New Jersey ^d	20%	Yes	No
New York ^e	30%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon	5%	Yes ^f	Yes
Rhode Island	25%	Partially ^g	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	4% - one child 14% - two children 43% - three children	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds and again in 2005 as a result of a voter-approved five-year suspension of TABOR. Under current law, the rebates will resume in 2011.

^a Scheduled to expire at the end of TY 2005.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

^f The refundability of the credit is scheduled to expire on January 1, 2011.

^g Rhode Island made a very small portion of its EITC refundable effective in TY 2003. In 2006, the refundable portion was increased to 10 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 2.5 percent of the federal credit).

Source: Center on Budget and Policy Priorities, September 16, 2005.

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2004**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
District of Columbia	25%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana ^a	6%	Yes	Yes
Iowa	6.5%	No	Yes
Kansas	15%	Yes	Yes
Maine	4.92%	No	Yes
Maryland ^b	20%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Average 33%	Yes	Yes
Nebraska	8%	Yes	Yes
New Jersey ^d	20%	Yes	No
New York ^e	30%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon	5%	No	Yes
Rhode Island	25%	Partially ^f	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	4% - one child 14% - two children 43% - three children	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds.

^a Scheduled to expire at the end of TY 2005.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

^f Rhode Island made a very small portion of its EITC refundable effective in TY 2003. Taxpayers may get a refund equal to 5 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 1.25 percent of the federal credit).

Source: Center on Budget and Policy Priorities, September 16, 2005.

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2003**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
District of Columbia	25%	Yes	Yes
Illinois	5%	Yes	Yes
Indiana ^a	6%	Yes	Yes
Iowa	6.5%	No	Yes
Kansas	15%	Yes	Yes
Maine	4.92%	No	Yes
Maryland ^b	18%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Average 33%	Yes	Yes
Nebraska	8%	Yes	Yes
New Jersey ^d	20%	Yes	No
New York ^e	30%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon	5%	No	Yes
Rhode Island	25%	Partially ^f	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	4% - one child 14% - two children 43% - three children	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended beginning in 2002 due to a lack of funds.

^a Scheduled to expire at the end of TY 2005.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

^f Rhode Island made a very small portion of its EITC refundable effective in TY 2003. Taxpayers may get a refund equal to 5 percent of the amount by which the 25 percent credit exceeds Rhode Island tax liability (i.e. 1.25 percent of the federal credit).

Source: Center on Budget and Policy Priorities, September 16, 2005.

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2002**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
District of Columbia	25%	Yes	Yes
Illinois ^a	5%	No	Yes
Iowa	6.5%	No	Yes
Kansas	15%	Yes	Yes
Maine	5%	No	Yes
Maryland ^b	16%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Varies with earnings; average 33%	Yes	Yes
New Jersey ^d	17.5%	Yes	No
New York ^e	27.5%	Yes	Yes
Oklahoma	5%	Yes	Yes
Oregon	5%	No	Yes
Rhode Island	25%	No	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Notes: From 1999 to 2001, Colorado offered a 10 percent (8.5 percent in 1999) refundable EITC financed from required rebates under the state's "TABOR" amendment. Those rebates, and hence the EITC, were suspended in 2002 due to a lack of funds.

Indiana has enacted a refundable tax credit (described in statute as an "earned income tax credit") for low-income working families with children. Unlike the tax credits listed in this table, the credit is unavailable to a large portion of the recipients of the federal credit.

^a Scheduled to expire after TY 2002.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

Source: Center on Budget and Policy Priorities, September 16, 2005.

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2001**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Colorado	10%	Yes	Yes
District of Columbia	25%	Yes	Yes
Illinois ^a	5%	No	Yes
Iowa	6.5%	No	Yes
Kansas	10%	Yes	Yes
Maine	5%	No	Yes
Maryland ^b	16%	Yes	No
Massachusetts	15%	Yes	Yes
Minnesota ^c	Varies with earnings; average 33%	Yes	Yes
New Jersey ^d	15%	Yes	No
New York ^e	25%	Yes	Yes
Oregon	5%	No	Yes
Rhode Island	25.5%	No	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Note: Indiana has enacted a refundable tax credit (described in statute as an "earned income tax credit") for low-income working families with children. Unlike the tax credits listed in this table, the credit is unavailable to a large portion of the recipients of the federal credit.

^a Scheduled to expire after TY 2002.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

Source: Center on Budget and Policy Priorities, September 16, 2005.

**State Earned Income Tax Credits Based on the Federal EITC
Tax Year 2000**

State	Percentage of Federal Credit	Refundable?	Workers Without Qualifying Children Eligible?
Colorado	10%	Yes	Yes
District of Columbia	10%	Yes	Yes
Illinois ^a	5%	No	Yes
Iowa	6.5%	No	Yes
Kansas	10%	Yes	Yes
Maine	5%	No	Yes
Maryland ^b	15%	Yes	No
Massachusetts	10%	Yes	Yes
Minnesota ^c	Varies with earnings; average 33%	Yes	Yes
New Jersey ^d	10%	Yes	No
New York ^e	22.5%	Yes	Yes
Oregon	5%	No	Yes
Rhode Island ^f	26%	No	Yes
Vermont	32%	Yes	Yes
Wisconsin	4% - one child 14% - two children 43% - three children	Yes	No

Note: Indiana has enacted a refundable tax credit (described in statute as an "earned income tax credit") for low-income working families with children. Unlike the tax credits listed in this table, the credit is unavailable to a large portion of the recipients of the federal credit.

^a Scheduled to expire after TY 2002.

^b Maryland also offers a non-refundable EITC set at 50 percent of the federal credit. Taxpayers may claim either the refundable credit or the non-refundable credit, but not both.

^c Minnesota's credit for families with children, unlike the other credits shown in this table, is not expressly structured as a percentage of the federal credit. Depending on income level, the credit for families with children may range from 25 percent to 45 percent of the federal credit; taxpayers without any children may receive a 25 percent credit.

^d The New Jersey credit is available only to families with incomes below \$20,000.

^e The New York credit would be reduced automatically to the 1999 level of 20 percent should the federal government reduce New York's share of the TANF block grant.

^f Rhode Island's credit is implicitly incorporated, because Rhode Island tax is based on federal tax liability after credits.

Source: Center on Budget and Policy Priorities, September 16, 2005.