

Extending Tax Credits for Low-Income Families

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Abstract

Policymakers should be thinking hard about low-income families with children and the tax code. In 2010, the federal income tax system will deliver substantial assistance to these families through refundable tax credits. The Tax Policy Center estimates a third fewer children would be in poverty if tax credits were counted in a person's available resources when measuring poverty. They are among the most potent anti-poverty programs for families with children. In 2011, some aid targeted to the poorest families will disappear as the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) and the American Recovery and Reinvestment Act (ARRA).

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The text below is an excerpt from the complete document. Read the [full report here](#)

Introduction

Policymakers should be thinking hard about low-income families and the tax code these days. In 2010, the federal income tax system will still deliver substantial assistance to low-income families with children through refundable tax credits.

Some commentators may not recognize the significance of these tax measures, but refundable tax credits can substantially reduce poverty among families with children.

In fact, absent any changes to the poverty measure except the inclusion of tax credits in a family's available resources, the Tax Policy Center estimates a third fewer children would be in poverty.

(End of excerpt. The [full report](#) is available here.)

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