

EARNED INCOME TAX CREDIT (EITC)

The League recognized that by expanding the state Earned Income Tax Credit (EITC) 1.1 million low and moderate-income working families would benefit. \$170 million would be added to their income as a wage supplement. The League advocated that this not only increases the pay of working families but also encourages thousands of other families to leave welfare for work. In 1999, this measure finally won support from both the Assembly and the Senate and was included in the final budget. Unlike other tax cuts, the EITC can be fully financed with federal Temporary Assistance for Needy Families (TANF) surplus funds or State Maintenance of Effort (MOE) funds under TANF.