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10+ States Implemented New and Significantly Expanded Middle Class Tax Credits Last Year, Leading to More Cash in More Pockets This Year

Taxpayers able to claim expanded state-level Child and Earned Income Tax Credits beginning in the 2023 and 2024 tax seasons

Washington, DC – With the 2023 tax filing season now underway, efforts by state policymakers to pass or expand state tax credits over the past two years are now coming to fruition, with many low- and middle-income Americans expected to receive cash credits when filing their 2022 tax returns. Economic Security Project, state representatives, and state organizers applaud public officials in 10 states plus the District of Columbia for their work to provide these vital cash credits, empowering families to thrive in the face of the rising cost of living.

“The expanded, monthly federal Child Tax Credit showed the country how direct cash payments can significantly improve people’s standard of living while dramatically reducing poverty. Governors and state legislatures have clearly taken notice, with 10+ states passing their own state level tax credits last year – policies that will provide much-needed economic empowerment for working families when they take effect in the 2023 and 2024 tax season,” said **Pedro Morillas, Director of State Campaigns at Economic Security Project**. “We are incredibly grateful for the leadership demonstrated at a state level and hope other states across the United States can take heed for what is possible this year.”

This tax season, residents in the following states will for the first time receive in their bank accounts new or significantly expanded tax credits:

- Californians who have no earnings will be able to claim the \$1,000 Young Child Tax Credit on their 2022 tax returns.

- Colorado taxpayers with children under 6 will now be able to claim the state's Child Tax Credits, and those who file with ITINs (Individual Tax Identification Numbers issued to immigrant taxpayers) are newly eligible for the state's Earned Income Tax Credit.
- DC's state Earned Income Tax Credit will be paid in monthly payments beginning this year.
- In New Jersey, families with kids under 6 will be able to claim the state's new \$500 Young Child Tax Credit, and adults of all ages without children in the home will now be able to claim the state's Earned Income Tax Credit.
- Oregonians who file with ITINs will now be able to claim the state's Earned Income Tax Credit.
- Taxpayers of Utah will be able to claim a new state Earned Income Tax Credit worth 15% of the federal credit.
- Vermont residents with kids under 6 will be able to claim a new refundable \$1,000 Young Child Tax Credit.
- Washington State taxpayers will be able to apply for a Working Families Tax Credit starting this year.

Several other states enacted new or expanded credits last year, which will become effective in the 2023 tax year. Taxpayers will see the following changes when they file their taxes in 2024:

- Hawaii's state Earned Income Tax Credit will be fully refundable, meaning the lowest-income Hawaiians will no longer be excluded from the credit.
- Illinois's state Earned Income Tax Credit will be bigger and available to adults of all ages, including ITIN filers.
- New Mexico residents will be able to claim a new refundable Child Tax Credit of up to \$175, and those eligible for the state Earned Income Tax Credit will see larger credits than previous years.

"Oregon took a big step to advance equity and made our state EITC more effective by eliminating the exclusion of workers who file taxes using an Individual Taxpayer Identification Number, primarily undocumented workers," said Oregon Representative Khanh Pham (HD 46 - Southeast Portland). "This change will help lift up a quarter-million Oregonians, including one in 10 children in our state."

Vermont State Representative, Emilie Kornheiser, said "Passing Vermont's Child Tax Credit was an important first step in getting needed cash to families struggling to cover the cost of food, housing, and clothing. Now Vermont has to make sure all eligible families have access to the Child Tax Credit."

For more information or for media inquiries, contact press@economicsecurityproject.org.

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