Media Relations

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More Americans Claiming Earned Income Tax Credit

DURHAM, N.H. – More Americans have claimed the Earned Income Tax Credit on their tax returns in recent years, an increase researchers at the Carsey Institute at the University of New Hampshire and the Brookings Institution attribute to the Great Recession and policy changes that broadened eligibility and increased benefits as a result of the American Recovery and Reinvestment Act.

"While some of these changes can no doubt be attributed to declines in income levels during the Great Recession, the data demonstrate increases across states and different types of communities that are also consistent with the tax credit expansions provided in the American Recovery and Reinvestment Act. If these expansions are permitted to expire, fewer working families with low incomes will be eligible for the credit, and among those who are eligible, many will see a smaller credit," the researchers said.

The new research is presented in the Carsey Institute brief "Share of Tax Returns Claiming EITC Increases Across States and Place Types Between 2007 and 2010." The research was conducted by Beth Mattingly, director of research on vulnerable families at the Carsey Institute and a research assistant professor of sociology at UNH, and Elizabeth Kneebone, a fellow at the Brookings Institution's Metropolitan Policy Program.

The key findings are as follows:

- One in five federal income tax filers claimed the Earned Income Tax Credit (EITC) in tax year 2010. This represents a 4 percentage point increase since 2007, when just over one in six filers claimed the credit.
- Nationwide, the average value of the EITC per filing unit increased $145 between 2007 and 2010, from $2,102 to $2,247.
- The share of EITC filers claiming the Additional Child Tax Credit (ACTC) rose from 44.5 percent in 2007 to 60.4 percent in 2010. On average, EITC filers claiming the ACTC took home an additional $1,234 in 2010—up $223 from 2007.

The places that experienced the largest increase in the share of tax returns claiming EITC from 2007 to 2010 are Mississippi, Georgia, Arizona, Idaho, Tennessee, Arkansas, Nevada, Utah, Alabama, and Florida. The places that experienced the smallest increase are the District of Columbia, North Dakota, Alaska, Connecticut, New Jersey, Massachusetts, Maryland, New Hampshire, Pennsylvania, Minnesota, and Wyoming.

The complete Carsey Institute report about this research is available at http://carseyinstitute.unh.edu/publication/share-tax-filers-claiming-eitc-increases-across-states-and-place-types.

This analysis is based on data on tax filers are derived from ZIP code-level estimates provided by the Internal Revenue Service's Stakeholder, Partnerships, Education, and Communication (SPEC) Return Information Databases.

The Carsey Institute conducts policy research on vulnerable children, youth, and families and on sustainable community development. The institute gives policy makers and practitioners the timely, independent resources they need to effect change in their communities. For more information about the Carsey Institute, go to www.carseyinstitute.unh.edu

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

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http://www.unh.edu/news/img/carsey/eitc_fig1.jpg

Share of federal tax returns claiming EITC 2000-2010
Source: Brookings Institution Analysis of IRS Data

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Media Contact: Lori Wright | 603-862-0574 | UNH Media Relations