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Public Assets Institute

April 10, 2024



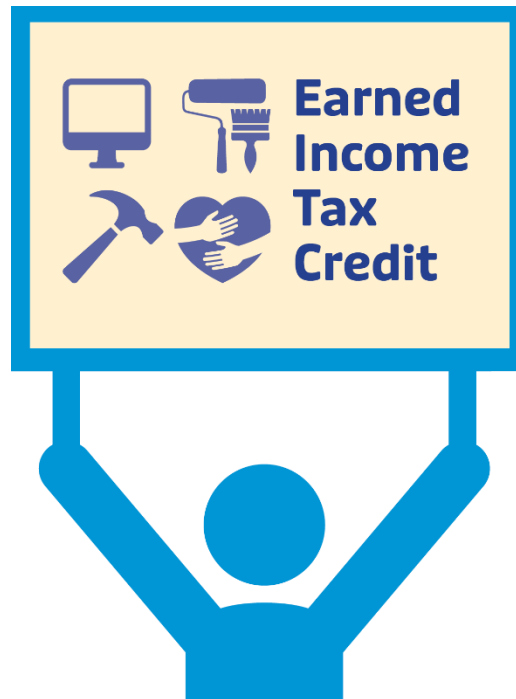
Vermont's Earned Income Tax Credit and Child Tax Credit

- What are tax credits and why do we need them?
- How do Vermont's Credits work?
- What are we doing to make Vermont's Credits better in 2024?

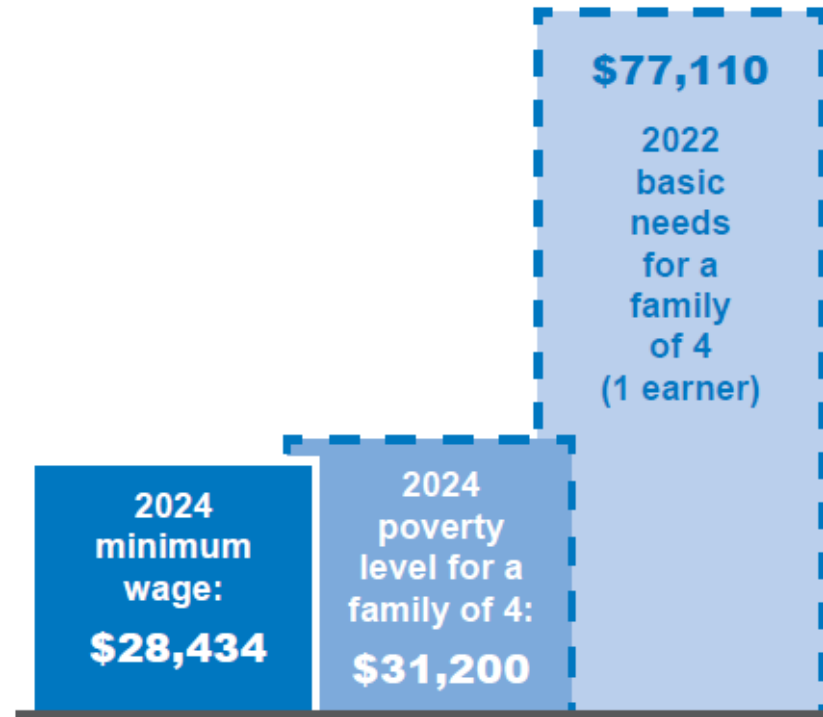
What are tax credits?

- Tax Credit: money that reduces the amount of tax you owe
- Refundable Tax Credit: a tax credit that can be paid to the filer after their tax bill has been met

- Example:



Minimum wage leaves families in poverty, and far from meeting basic needs



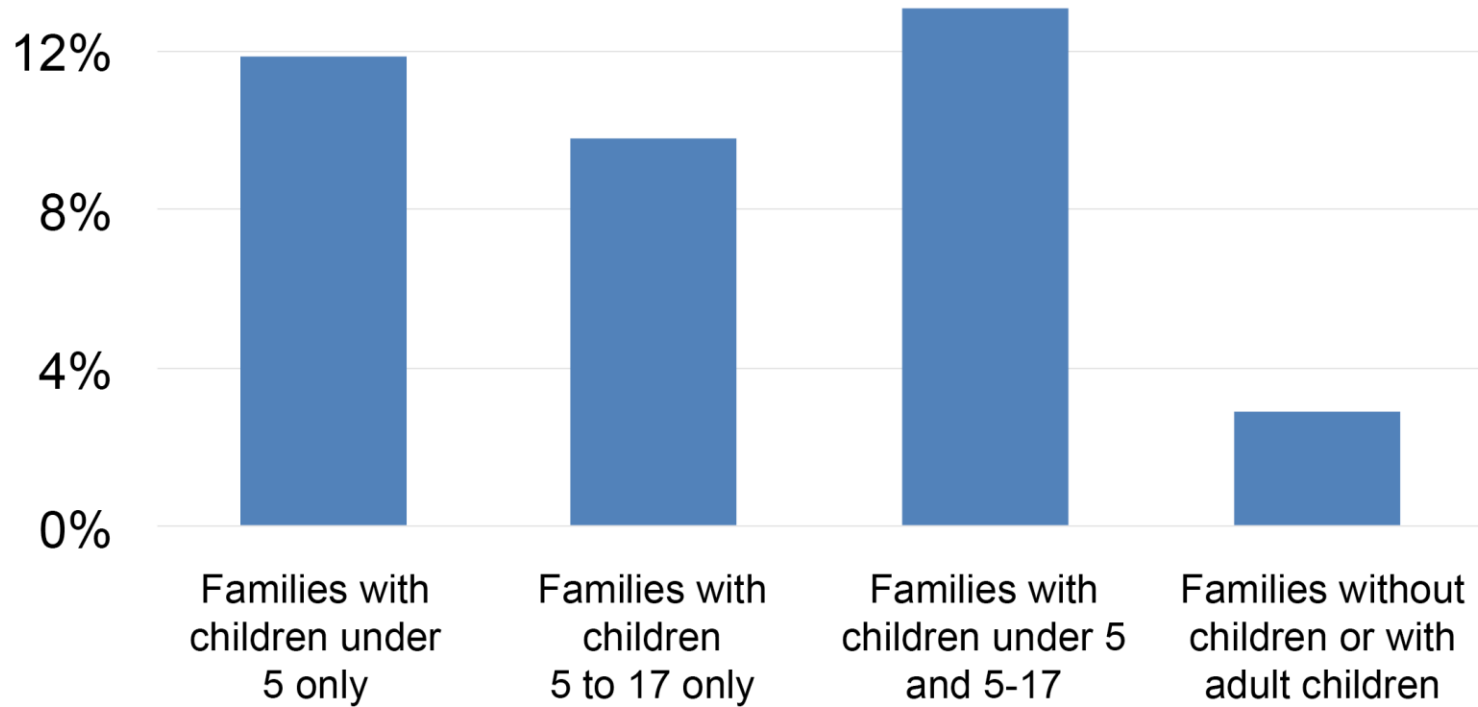
Note: This graphic uses the most recent data available from 2022 and 2024. Minimum wage reflects the annual wages for one full-time earner.

Data sources: Vermont Department of Labor, Joint Fiscal Office

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Vermont families with children are more likely to live in poverty

Family poverty rate by select families, 2021



Data source: U.S. Census Bureau, 2021 American Community Survey 5-yr. estimates, [Table S1702](#)

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How do Vermont's EITC and CTC work?



Vermont Child Tax Credit

- New beginning in tax year 2022
- \$1,000 annually per child under 6
- Full credit for families with income \$0-\$125,000
- Partial credit with income up to \$175,000
- Fully refundable (can get the full value in cash)
- Now available regardless of immigration status



Vermont's Earned Income Tax Credit

- Increased to 38% of the federal EITC in 2022
 - For workers with low and moderate earnings
 - Adjusts for household earnings and number of children—[see the EITC Estimator](#)
 - Fully refundable (can get the full value in cash)
 - Now available regardless of immigration status
-

ANTI-POVERTY TAX CREDITS FOR A STRONG VERMONT

[Tax Help](#) | [Take Action](#) | [Stay Updated](#)

Do I qualify for the credits?

- Vermont Child Tax Credit +
- Vermont Earned Income Tax Credit +
- Don't Have a Social Security Number or ITIN? +

Earned Income Tax Credit Estimator



Use the calculator below to estimate your Federal and Vermont Earned Income Tax Credit.

Filing Status:

Number of Children:

Household Earnings:

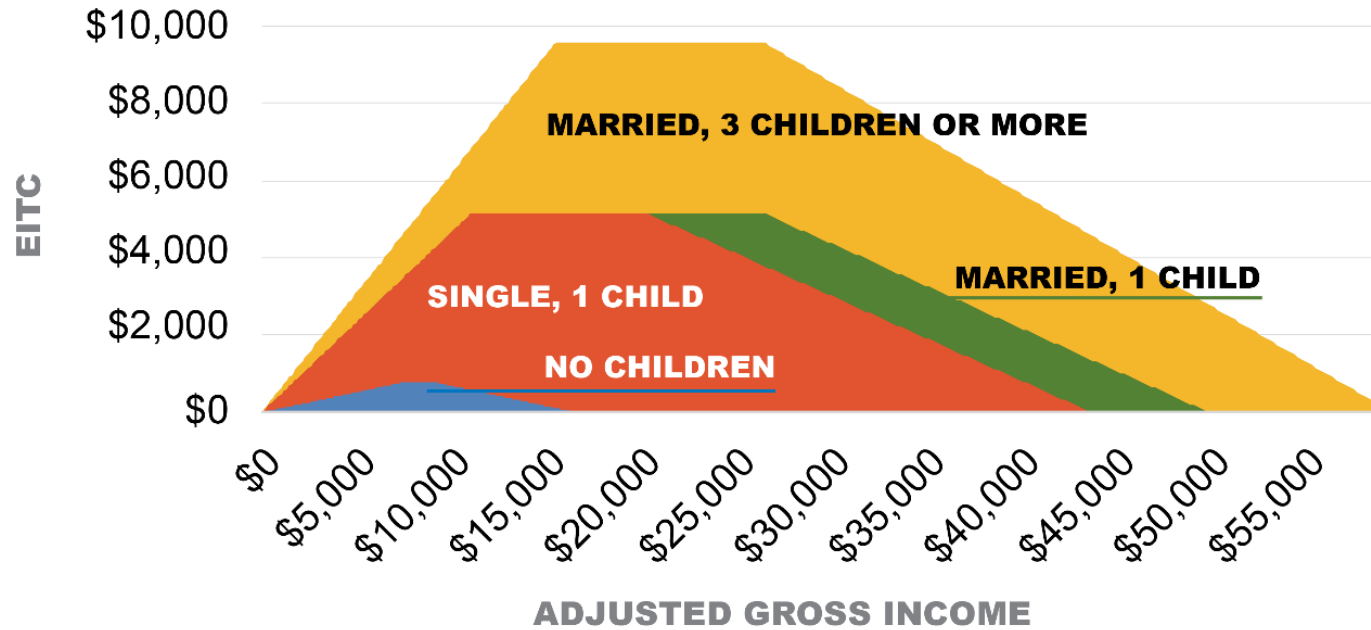
\$

Your Federal EITC: \$

Your Vermont EITC: \$

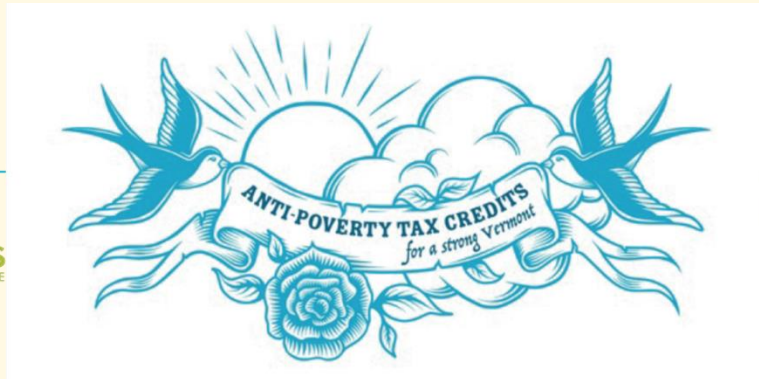


Federal and state earned income tax credits by income, by select filing status and number of children, 2022



Data source: Internal Revenue Service
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How can we make them better in 2024?



General 4 — Anti-Poverty Tax C × +

taxcreditsvt.org/take-action

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ANTI-POVERTY TAX CREDITS FOR A STRONG VERMONT

Tax Help Take Action **Stay Updated**

Together we can:

- Increase the value of refundable anti-poverty tax credits
- Extend the credits to those currently left out. This includes people with disabilities, young adults, individuals who do not have children, and older people.
- Make anti-poverty tax credits easy to access.

[Our 2024 Priorities in Detail](#)

[Read our 2024 Public Budget Hearing Letter](#)

- Reach out to me with questions: julie@publicassets.org