

APRIL 15: TAX DAY AND THE EARNED INCOME TAX CREDIT



The Earned Income Credit and the Child Tax Credit are critical work supports for employees in low-wage jobs. The United States Conference of Catholic Bishops has been a consistent supporter of a Child Tax Credit and the Earned Income Tax Credit (EITC) as part of a broader effort to reduce poverty.

Each year millions of eligible workers risk missing out on the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC) and free tax filing assistance for low- and moderate-income workers because they do not know they qualify, do not know how to claim the credits or do

not know where to find free tax filing assistance. **Your outreach efforts can ensure that eligible workers can receive the tax credits they've earned.**

130,000 Oregonians were lifted out of poverty by the EITC and CTC, including 66,000 children, each year, on average, over 2010 to 2012. Next to Social Security, the EITC combined with the refundable portion of the Child Tax Credit constitutes the nation's most powerful anti-poverty program. The EITC helps 250,000 low- and moderate-income Oregon families.

2012 Income for Oregon Households	
Minimum Wage Job in Oregon	\$18,616
2013 Federal Poverty Level (Family of 3)	\$19,530
Bottom 20% (All sizes)	\$20,315 or less
Bottom 40% (All sizes)	\$38,451 or less
Federal Level for Economic Security (Family of 3)	\$39,060
40% - 50% Percentile	\$38,451 - \$49,161
Median Household Income	\$49,161
50% - 60% Percentile	\$49,161 - \$60,806
Median Household Income (Household of 3)	\$61,252
Upper Middle Class (60th - 80th Percentile)	\$60,806 - \$95,619
Top 20%	\$95,619 or less
Top 5%	\$167,804 or more
Top 3%	\$200,000 or more

The Federal Poverty Level is the minimum amount of pretax income that a family needs for food, clothing, transportation, shelter and other necessities. It's used to determine who receives federal subsidies or aid.

Families cannot live on the income that the government defines as the poverty level. Families need the benefits from public structures for necessities (nutritional assistance, subsidized housing, and home energy assistance). When 50% of Oregon single moms with children under 5 live in poverty, they need the nutritional assistance provided by WIC. They need the support from TANF (Temporary Assistance for Needy Families).

When the basic, fundamental level of economic security is twice the Federal Poverty Level, we can bridge the gap with jobs, with jobs that pay a living wage, and with subsidies and aid.

The Earned Income Tax Credit encourages and rewards work, offsets federal payroll and income taxes, and raises living standards. In times of economic hardship a household's financial assets are an additional source of income to help pay expenses and bills. In times of economic hardship the EITC is a step towards economic security. EITC helps families!

Before Tax Day, make sure that your community knows that [CASH Oregon](#) provides free tax preparation for low-income Oregonians which can help ensure that they will receive the EITC due them.



Office of Life, Justice, and Peace