

TEMPLATE LETTER FOR COMMUNICATIONS WITH CONGRESS
RE: EXTENSION OF ARRA IMPROVEMENTS IN EITC, CTC

DATE

Honorable SENATOR/REPRESENTATIVE NAME
ADDRESS

Dear Senator/Representative NAME:

Our country faces critical challenges. Strengthening our economy and creating jobs are important national priorities. We also need to address our unsustainable budget deficits and debt. You have an opportunity to make progress on both of these challenges when Congress takes up legislation to extend the expiring Earned Income Tax Credit and Child Tax Credit improvements in the 2009 American Recovery and Reinvestment Act (ARRA).

The decision on whether or not to extend the credits' improvements in ARRA will have far-reaching implications for working families in Illinois, our economy, and our long-term fiscal security. Indeed, improvements in the Earned Income Tax Credit and Child Tax Credit have lifted 77,000 Illinoisans – including 43,000 children – out of poverty during the most trying economic atmosphere in decades.

We urge you to permanently extend *only* policies that support low- and middle-income families and encourage work, while allowing fiscally irresponsible, unsustainable and unwarranted tax cuts for the wealthiest Americans to expire as scheduled.

Specifically, we encourage you to support extension of ARRA changes that:

- **Protect expanded benefits for low-income, working families through the Earned Income Tax Credit (EITC).** ARRA added a third “tier” to the EITC, providing larger benefits to the more than 3 million working families with three or more children. The act also reduced the “marriage penalty” that low-income families often experience when a couple marries and combines their previously separate earnings. If Congress doesn’t extend the third “tier” provision for families with three or more children, more than 400,000 Illinois kids will lose some of their EITC benefits. Underscoring the need for retaining ARRA’s EITC improvements is this: Illinois’ state EITC is calculated as a percentage of its federal counterpart, meaning a stronger federal credit also allows for a stronger state credit to help families in need.
- **Improve and preserve the refundable Child Tax Credit (CTC).** If Congress fails to continue the improvements made to this credit through ARRA (which lowered the minimum income threshold to \$3,000), families seeking CTC help will only be able to count earnings above approximately \$13,000, starting in 2011. That means a parent working for the minimum wage and raising two kids would see her credit cut from \$2,000 to \$547.50. In Illinois alone, 732,000 children would lose some or all of their CTC benefits.

We appreciate your consideration of our views. We hope we can count on you to support well-targeted and fiscally responsible tax provisions this year that promote work and support for struggling Illinois families who are trying to get back on their feet in tough times.

Sincerely,