



## UMC ADVOCACY TEAM -JANUARY 2018 (rev.)

### EARNED INCOME TAX CREDIT

**SUMMARY OF POSITION:** We support the United States federal earned income tax credit or earned income credit (EITC or EIC) which is a refundable tax credit for low to moderate income working individuals and couples, particularly those with children. **We support continued increases in the Iowa EITC which currently pays 15% of the Federal Credit.**

#### United Methodist Official Statements:

The United Methodist Church calls for changes to current tax systems to better embody the following faithful principles:

**Protecting the Poor and Vulnerable:** All tax decisions must be judged by their impact of children, low-income families. . . and other vulnerable populations.

**Community:** Systems should strengthen and uphold values of our common life together. Tax and revenue systems enable governments to provide for the needs of the common good...

**Justice:** Each government should ensure that both the burdens and benefits of a nation's common life are shared equitably and proportionally among its citizens.

Resolution #4063, "A Call for Just Tax Structures," *The 2016 Book of Resolutions*, pp. 451-52.

The Iowa Annual Conference and its members advocate for continued increases in Iowa's Earned Income Tax Credit. Resolution #9413, "Earned Income Tax Credit." *Iowa 2017 Book of Resolutions*, page 39.

#### SUPPORTING FACTS AND CONSIDERATIONS

The Earned Income Tax Credit helps to *Fill the Gap between Income and Basic Needs for Working Families*

1. The living cost of Iowa family of four is estimated in 2013 at \$50,288 [1] Working full time at minimum wage is estimated at \$15,000.
2. The EITC goes to pay living expenses: past rent, utilities, repairs; medical expenses.
3. The EITC is a boon to local businesses which these working poor support. It is estimated that EITC generates at least \$1.50-\$2.00 in local economic activity for every \$1.00 claimed See the Iowa Policy Project calculator for total EITC per House District. See site: <http://www.iowafiscal.org/how-the-eitc-hits-home> (Example: HD 71 – Marshalltown = \$5,440,000)
4. The Cedar Rapids *Gazette* editorial board recently had this to say about these efforts: "A state that hands out tens of millions of dollars in tax breaks to large firms in the name of job creation should be able to afford providing a justifiably bigger break to lowans already on the job. The earned income tax credit expansion is **an endorsement of work over dependency**, a pushback against a growing tide of child poverty, **an economic shot in the arm for local business and tax relief for families that need it most.**" [2]
5. We affirm that Jesus (and the Scriptures) directed us to defend the rights of the poor and needy – "the least of these."

May we all care for the poor workers as Jesus would have us do – in our personal and our government actions.

[1] [The Iowa Policy Project](http://www.iowapolicyproject.org), (319) 338-0773, [ipp@lcom.net](mailto:ipp@lcom.net), [hgibney@iowapolicyproject.org](mailto:hgibney@iowapolicyproject.org), 5/15/13

[2] *The Gazette*, Cedar Rapids. Editorial: "More to spend: Raise tax credit to help working families, boost economy." Sunday, March 31, 2013. <http://thegazette.com/2013/03/31/raise-tax-credit-to-help-working-families-boost-economy/>

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