

March 10, 2016

**Rhode Island House of Representatives
Committee on Finance
Article 13 - EITC Statement of Support**

Mr. Chairman, Members of the House Finance Committee:

United Way of Rhode Island submits the following statement in support the Governor's proposal to expand the Earned Income Tax Credit from 12.5% to 15%. We are also in support of Representative Slater's bill H-7347 to increase the tax credit to 20% because of the direct impact the credit has on improving the financial security of working families.

The Earned Income Tax Credit has helped improve the lives of thousands of people throughout the State. For hardworking Rhode Island families it can mean many things –like starting a savings account, paying off debt, a down payment for a better apartment, buying/fixing a reliable car to get to a job, or money for education.

This year as in the past, UWRI has conducted a highly successful Voluntary Income Tax Assistance (VITA)/EITC program. Our goal is to ensure that working Rhode Islanders, earning less than \$54,000 per year, can access free tax services and receive the money they are eligible for in refunds and tax credits. In the 2015 tax season **11,620 tax returns were filed, returning more than \$17 million in refunds to tax payers by way of the EITC**, Child Tax Credit, Education Tax Credit, and refunds.

The expansion of the credit would have a significant positive impact on working individuals and families in the state. It would provide an income boost to families struggling to meet their basic needs and these dollars would in turn be reinvested through the payment of bills and the purchase of goods and services in the State's economy.

The continued growth of the Rhode Island program, as recommended in Article 13 of the Governor's budget proposal, is an important tool in addressing the needs of low-to-moderate-income working individuals and families in our state.

United Way of Rhode Island respectfully requests your support for this important program.

Thank you for your time and consideration.