

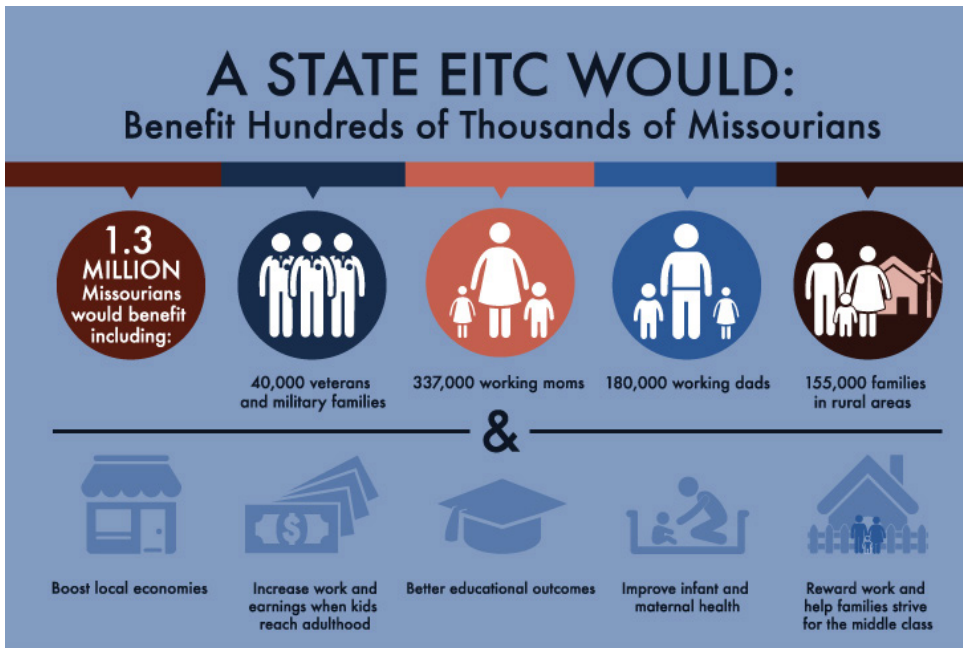
## Bolster the Middle Class with an Earned Income Tax Credit

Many Missouri families struggle to make ends meet, putting pressure on families and the economy. Businesses expand and create jobs when customers have money to spend, not when the middle class is struggling.

*Create a state Earned Income Tax Credit for hardworking families, providing a bottom-up tax cut that builds the middle class, spurs local economic growth and provides long-term benefits to families and communities.*

The federal Earned Income Tax Credit (EITC) has long provided hardworking families the ability to achieve a better future and a pathway to the middle class. The structure of the EITC encourages people to stay working and to work more hours. Though most families receive the EITC only temporarily, it has profound long-term benefits for families and communities.

Building on the demonstrated success of the federal credit, 26 states and the District of Columbia have created state EITCs that offer a credit towards state and local taxes for low- and moderate-income workers struggling to get by.



A Missouri EITC would:

- Provide a bottom-up tax cut for working families.
- Help as many as 515,000 Missouri families from across the state pay for basic necessities like child care and car repairs, which are essential to success in work and life.<sup>1</sup>
- Boost local economies, by putting more money in the pockets of people most likely to spend it at local community businesses.

- Improve the lives of

Missouri's children and our future workforce. Children whose families receive the federal EITC have higher test scores, are more likely to go to college, and enjoy greater earnings as adults, establishing a more productive and skilled workforce for Missouri's future.

**The Bottom Line:** A Missouri Earned Income Tax Credit (EITC) is one of the best ways our state can help working families – and the state of Missouri – achieve a more prosperous future.

## Notes

1. For detailed information, including fact sheets and county level details of the impact of a Missouri EITC, see: <http://www.mobudget.org/eitc/>

