

EITC Data by State Legislative District—Overview and Methodology

Overview

These data, compiled by the Brookings Institution Metropolitan Policy Program from Internal Revenue Service files, present estimates of receipt of the federal Earned Income Tax Credit (EITC) by state legislative district, for both upper (typically Senate) and lower (typically House) chambers. Organizations working to increase awareness of the EITC at the state level, and/or to educate state lawmakers on the impacts of adopting or expanding state versions of the EITC, may find these data useful.

Each Excel workbook includes data for tax years 2004 and 2005 (returns filed in calendar years 2005 and 2006, respectively). The files contain four worksheets per tax year: Two worksheets display data aggregated to the state legislative district level (upper and lower chambers), while the remaining two worksheets show data for each ZIP code/state legislative district combination (see Methodology below). These data may provide users with a more detailed look at patterns of EITC receipt within districts (see Notes below).

The fields presented in each worksheet include:

- State legislative district (e.g., CT-001)
- Total number of tax returns
- Total number of returns receiving the EITC
- Total EITC amount received
- Number of refund anticipation loans (RALs) associated with all returns, and with EITC returns

These basic fields are followed by a series of eight (8) fields displaying the number of tax filers within specific \$5,000 ranges of Adjusted Gross Income (AGI) who received the EITC (e.g., \$0 to \$4,999; \$5,000 to \$9,999, etc.).

Methodology

The underlying data for this analysis come from the IRS, which provided Brookings with ZIP code-level data on returns filed in tax years 2004 and 2005. ZIP codes often do not completely conform to other geographic boundaries, such as state legislative districts, and as a result may overlap more than one district. In order to associate ZIP codes with state legislative districts, and sum the return data to the state legislative district-level, Brookings developed the following method to divide any overlapping ZIP codes into the appropriate districts.

Using Geographic Information Systems (GIS) and statistical software, we identified which ZIP codes fall within each upper chamber and lower chamber state legislative district.¹ For ZIP codes that overlap more than one district, we used Census 2000 block-level data, along with state legislative district and ZIP code boundaries, to calculate the proportion of the ZIP code's households that lie within each district. That proportion (the percentage of ZIP code households in the district) was then used to "split" the IRS ZIP code-level data on returns and dollar amounts into the identified districts. Finally, all data from the partially contained and completely contained ZIP codes were summed for each district to present a state legislative district total.

Notes

For the worksheets that present data by ZIP code/state legislative district data combination, some data include return counts of less than 10. This is a result of estimation techniques employed in assigning ZIP codes to state legislative districts and represent estimates only. ZIP code data provided by the IRS suppress any return counts of less than 10 for confidentiality purposes. These small ZIP code-level counts should be interpreted only in conjunction with data from other ZIP codes (e.g., at the lower chamber or upper chamber district level) and not as stand-alone entities.

Totals across all legislative districts within a state may not exactly match state totals from original IRS data due to IRS ZIP code-level suppression.

¹ State Legislative District boundary files were obtained from Election Data Services, Inc.