

## **Economic Recovery and the EITC: Expanding the Earned Income Tax Credit to Benefit Families and Places**

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The economic recovery package currently under consideration by the U.S. House of Representatives, as well as corresponding legislation before the Senate Finance committee, includes a number of tax relief provisions that would benefit lower-income workers and their families. One such provision would temporarily expand the federal Earned Income Tax Credit (EITC).<sup>1</sup> The EITC—a refundable tax credit for people who work but earn low incomes—is the country’s largest and most successful anti-poverty program. The EITC delivers over \$40 billion dollars a year in wage supplements to lower-income workers and their families and lifts more than 4 million people out of poverty each year.<sup>2</sup>

As effective as the EITC has been at encouraging work and alleviating poverty, the credit could do more for certain groups of taxpayers to help make work pay, especially given the nation’s current economic challenges. In particular, larger families—those with three or more children—receive no additional support under current EITC eligibility rules, though these families are more likely to be low-income even when they are working. In addition, married couples face a “penalty” when they claim the EITC in that they must report their joint income, resulting in a smaller credit (or no credit) compared to what they might claim if they were not married.<sup>3</sup>

These two groups—larger families and married couples—are the focus of the EITC expansion included in House and Senate versions of the economic recovery package. The proposals would temporarily increase support for these taxpayers by:

- Creating a new “third tier” of the EITC for families with three or more qualifying children. In this tier, the credit would phase in at 45 percent of earned income (up from 40 percent under current law), and effectively increase the maximum credit for these families by almost \$600.
- Increasing marriage penalty relief by raising the income threshold at which the EITC begins to phase out for married couples, to \$5,000 above the amount for unmarried filers (an increase of \$2,000 over tax year 2008 law).

If enacted, these expansions would represent an important step toward increasing support for working families across the country (Table 1). Together, these changes would:

- **Benefit an estimated 7.7 million families nationwide** by increasing the amount of EITC for which they qualify and making over 900,000 families newly eligible. Over half of these taxpayers are families with three or more qualifying children.

The marriage penalty relief provision would also help 1.7 million married-couple families with two children, 1.3 million married-couple families with one child, and over 355,000 married couples without children.

- **Boost the credit amounts these families qualify for by \$4 billion.** The addition of a third tier by itself would increase the amount of EITC which larger families could claim by \$2.2 billion, while marriage penalty relief would boost EITC eligibility for married couples by more than \$1.7 billion.<sup>4</sup>
- **Every state would share in the benefits of these expansions, with at least one in five EITC-eligible tax units in each state seeing an increase in the amount of credit for which they qualify.** States where EITC filers are more likely to be married and to have larger families, including Utah, Idaho, Texas, and California, would see even greater shares of their EITC-eligible population benefit.<sup>5</sup> Those four states would see potential credit dollars increase by at least 10 percent, as would Nevada, Arizona, Nebraska, and Kansas.
- **Major metro areas across the country would also reap the benefits of an expanded EITC.** Of the 7.7 million families that would be helped by this provision, almost 4.6 million live in the nation's 100 largest metro areas. As with the states, at least one in five EITC-eligible taxpayers would benefit from these expansions, with 35 of the 100 largest metro areas seeing above-average gains in credit amounts. Metro areas in the states listed above, like Salt Lake City, UT, Boise City-Nampa, ID, Dallas-Fort Worth-Arlington, TX, and Los Angeles-Long Beach-Santa Ana, CA, rank among the regions that would experience the biggest boosts from a targeted expansion of the EITC.

Additionally, the large cities that serve as the hubs of many of these regions would experience similar gains in support if the congressional expansion proposals were enacted. Leading the list, Salt Lake City, Boise, Los Angeles, and Fresno would all see above-average increases in EITC dollars available to their low-income working families. The benefits of the proposed expansion extend beyond these western cities, however, with large cities throughout the country showing considerable gains in credit dollars. In the Midwest, Chicago's EITC filers would also see an above-average increase in available EITC, while in the Northeast, New York would experience gains on pace with the national average.

The EITC played an important role in helping working families weather the economic downturn at the start of this decade by boosting the incomes of workers facing reduced hours or wages and temporary job loss.<sup>6</sup> In the midst of the more severe current economic crisis, the expansions proposed in the congressional economic recovery packages could help the EITC do more for millions of working families struggling to make ends meet.

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<sup>1</sup> Additional provisions in the package of importance to lower-income working families include the proposed “Making Work Pay Credit” and elimination of the earnings “floor” for claiming the refundable portion of the Child Tax Credit. On the former, see Arloc Sherman, “Tax Aid in Recovery Package Would Reach Large Numbers of Workers in Every State” (Washington: Center on Budget and Policy Priorities, 2009).

<sup>2</sup> Robert Greenstein, “The Earned Income Tax Credit: Boosting Employment, Aiding the Working Poor” (Washington: Center on Budget and Policy Priorities, 2005). The official definition of poverty employed by the U.S. Census Bureau does not recognize the impact of tax benefits like the EITC on family income; the poverty reduction estimates cited here are based on alternative measures of poverty that take into account the credit.

<sup>3</sup> For a detailed discussion of the EITC and proposed expansions to the credit, see Alan Berube, David Park, and Elizabeth Kneebone, “Metro Raise: Boosting the Earned Income Tax Credit to Help Metropolitan Workers and Families” (Washington: Brookings Institution, 2008).

<sup>4</sup> Note that our estimate of the nationwide dollar benefit of these proposals exceeds the single-year cost estimate implied by the summary of the House tax plan, detailed in “Tax Relief Included in ‘The American Recovery and Reinvestment Plan’” (House Committee on Ways and Means, 2009). This may be attributable to differences in the data underlying the estimates. Brookings estimates are derived from the MetroTax model, which is based on results from the Census Bureau’s 2007 American Community Survey. Discrepancies at the national level, however, do not necessarily imply differences in the relative degree to which various states, metro areas, or cities would benefit from the proposal. For a description of the MetroTax model, see “Technical Appendix: Building the MetroTax Model” (Washington: Brookings Institution, 2008).

<sup>5</sup> Brookings Institution analysis of part-year IRS SPEC data for tax year 2006.

<sup>6</sup> Elizabeth Kneebone, “A Local Ladder for Low-Income Workers: Recent Trends in the Earned Income Tax Credit” (Washington: Brookings Institution, 2007).

**Table 1. EITC-Eligible Tax Units and Credit Amounts Under Current Law and Proposed Expansions by State**

State	Current Law				House Expansion Proposal			
	EITC-Eligible Tax Units	EITC-Eligible Tax Units (%)	EITC Sum (\$1000s)	Average EITC (\$)	Tax Units Benefiting From Proposal*	Newly EITC-Eligible Tax Units	Additional EITC Amount (\$1000s)	%Increase in EITC Amount
Alabama	463,636	22.8%	864,551	1,865	145,335	17,599	67,962	7.9%
Alaska	59,167	18.0%	100,666	1,701	16,104	1,571	8,078	8.0%
Arizona	500,123	17.4%	957,273	1,914	184,556	21,357	100,441	10.5%
Arkansas	284,165	23.4%	553,302	1,947	98,128	10,736	45,243	8.2%
California	2,759,162	16.8%	5,561,291	2,016	1,062,709	117,043	588,403	10.6%
Colorado	347,907	15.2%	620,598	1,784	109,517	12,034	59,717	9.6%
Connecticut	206,087	12.4%	367,388	1,783	53,809	7,589	26,741	7.3%
Delaware	64,363	16.1%	119,963	1,864	19,220	2,918	9,718	8.1%
District of Columbia	41,302	12.9%	65,547	1,587	7,450	743	3,982	6.1%
Florida	1,433,629	16.6%	2,670,844	1,863	434,257	54,316	217,202	8.1%
Georgia	817,040	19.6%	1,587,836	1,943	269,558	29,314	133,699	8.4%
Hawaii	96,802	15.4%	175,339	1,811	29,996	4,450	15,707	9.0%
Idaho	126,819	19.5%	245,035	1,932	54,954	7,757	29,558	12.1%
Illinois	970,985	16.7%	1,882,262	1,939	322,413	37,312	171,884	9.1%
Indiana	515,385	18.2%	938,116	1,820	159,169	18,997	83,429	8.9%
Iowa	218,225	16.0%	373,798	1,713	63,007	9,873	33,649	9.0%
Kansas	205,956	16.8%	379,559	1,843	70,901	9,465	37,984	10.0%
Kentucky	405,672	22.0%	742,291	1,830	114,749	14,372	58,389	7.9%
Louisiana	450,028	24.1%	864,241	1,920	130,131	13,293	59,572	6.9%
Maine	106,538	17.2%	190,305	1,786	32,700	4,797	15,359	8.1%
Maryland	332,594	12.6%	603,499	1,815	85,616	13,768	42,331	7.0%
Massachusetts	381,797	12.3%	684,086	1,792	90,116	12,304	42,248	6.2%
Michigan	857,590	19.0%	1,578,230	1,840	238,707	27,669	126,423	8.0%
Minnesota	347,122	14.3%	596,494	1,718	102,648	16,122	55,049	9.2%
Mississippi	318,757	26.2%	621,784	1,951	99,620	9,917	47,675	7.7%
Missouri	519,440	19.4%	941,069	1,812	154,608	17,987	78,102	8.3%
Montana	86,493	19.8%	161,183	1,864	23,807	2,777	12,473	7.7%
Nebraska	133,784	16.6%	258,132	1,929	49,999	5,048	26,766	10.4%
Nevada	180,663	14.9%	331,458	1,835	66,194	7,668	35,511	10.7%
New Hampshire	76,515	12.4%	134,159	1,753	20,062	2,512	9,055	6.7%
New Jersey	503,322	12.5%	967,244	1,922	145,758	19,163	73,032	7.6%
New Mexico	211,900	24.1%	391,777	1,849	62,627	5,482	32,221	8.2%
New York	1,388,714	15.6%	2,653,481	1,911	424,293	49,447	216,425	8.2%
North Carolina	796,537	19.6%	1,485,543	1,865	250,511	31,901	123,655	8.3%
North Dakota	46,190	15.8%	76,827	1,663	13,069	1,245	6,115	8.0%
Ohio	962,715	18.4%	1,781,718	1,851	264,930	34,424	134,023	7.5%
Oklahoma	347,572	21.7%	677,211	1,948	129,410	15,073	66,298	9.8%
Oregon	298,261	16.9%	511,155	1,714	93,662	12,607	48,504	9.5%
Pennsylvania	951,997	16.5%	1,726,267	1,813	270,381	35,596	139,967	8.1%
Rhode Island	69,592	14.0%	133,070	1,912	20,567	1,887	10,253	7.7%
South Carolina	403,048	20.6%	748,879	1,858	111,784	15,840	55,478	7.4%
South Dakota	67,902	18.7%	113,473	1,671	19,791	2,548	9,002	7.9%
Tennessee	587,439	21.2%	1,075,600	1,831	174,891	21,035	84,511	7.9%
Texas	2,167,278	21.5%	4,480,302	2,067	858,983	80,446	463,129	10.3%
Utah	190,419	17.7%	386,608	2,030	88,628	14,242	48,981	12.7%
Vermont	53,965	17.7%	96,208	1,783	12,464	1,294	6,726	7.0%
Virginia	519,578	14.5%	968,004	1,863	142,961	20,112	68,741	7.1%
Washington	468,405	15.4%	810,532	1,730	137,400	16,687	70,258	8.7%
West Virginia	173,651	21.7%	306,160	1,763	50,186	7,914	24,981	8.2%
Wisconsin	422,324	16.0%	770,174	1,824	116,765	16,431	61,877	8.0%
Wyoming	36,132	14.4%	60,063	1,662	9,941	1,252	5,845	9.7%
<b>U.S. Total</b>	<b>23,974,687</b>	<b>17.5%</b>	<b>45,390,595</b>	<b>1,893</b>	<b>7,709,042</b>	<b>915,934</b>	<b>3,992,374</b>	<b>8.8%</b>

Source: Brookings Institution MetroTax Model

\*Units "benefit" from an expansion proposal if (A) their EITC credit amount increases; or (B) they become eligible for the EITC under the new par

Note: This analysis uses the 2007 American Community Survey PUMS. "Current Law" is based on tax year 2007 eligibility criteria. "House Expansion Proposal" includes a third tier for families with three or more qualifying children that follows the income guidelines for families with two children, but phases in at 45%; it also includes a marriage penalty relief provision that phases out \$2,000 after TY2007 levels for married couples.

Table 2. EITC-Eligible Tax Units and Credit Amounts Under Current Law and Proposed Expansions by Top 100 Metro Areas

Metro	Current Law				House Expansion Proposal			
	EITC-Eligible Tax Units	EITC-Eligible Tax Units (%)	EITC Sum (\$1000s)	Average EITC (\$)	Tax Units Benefiting From Proposal*	Newly EITC-Eligible Tax Units	Additional EITC Amount (\$1000s)	%Increase in EITC Amount
Akron, OH	53,492	16.1%	95,236	1,780	14,014	1,454	6,975	7.3%
Albany-Schenectady-Troy, NY	51,298	12.9%	94,342	1,839	10,037	746	5,050	5.4%
Albuquerque, NM	77,658	20.4%	129,108	1,663	24,506	2,740	12,670	9.8%
Allentown-Bethlehem-Easton, PA-NJ	52,199	13.7%	104,898	2,010	13,991	1,902	7,574	7.2%
Atlanta-Sandy Springs-Marietta, GA	389,274	16.6%	740,950	1,903	130,502	14,196	66,505	9.0%
Augusta-Richmond County, GA-SC	43,289	20.2%	80,980	1,871	13,297	2,008	5,849	7.2%
Austin-Round Rock, TX	129,142	16.7%	249,297	1,930	44,795	3,116	24,178	9.7%
Bakersfield, CA	79,658	25.3%	168,986	2,121	33,742	3,737	19,349	11.4%
Baltimore-Towson, MD	172,836	14.0%	316,337	1,830	40,590	5,868	18,902	6.0%
Baton Rouge, LA	72,479	21.1%	143,657	1,982	18,348	2,310	9,206	6.4%
Birmingham-Hoover, AL	93,144	19.5%	175,707	1,886	30,399	3,887	15,215	8.7%
Boise City-Nampa, ID	42,625	17.4%	82,426	1,934	18,290	3,354	9,872	12.0%
Boston-Cambridge-Quincy, MA-NH	246,848	11.0%	428,200	1,735	57,099	7,786	25,258	5.9%
Bridgeport-Stamford-Norwalk, CT	43,225	10.5%	76,626	1,773	10,825	1,288	5,317	6.9%
Buffalo-Niagara Falls, NY	95,020	17.6%	177,125	1,864	25,739	4,598	13,462	7.6%
Cape Coral-Fort Myers, FL	36,538	12.7%	67,417	1,845	12,568	2,019	7,439	11.0%
Charleston-North Charleston, SC	56,464	18.3%	107,217	1,899	16,461	1,502	8,649	8.1%
Charlotte-Gastonia-Concord, NC-SC	131,932	17.0%	246,868	1,871	39,319	6,466	18,773	7.6%
Chattanooga, TN-GA	41,937	19.4%	77,814	1,855	10,339	1,137	4,896	6.3%
Chicago-Naperville-Joliet, IL-IN-WI	689,352	16.1%	1,354,203	1,964	228,608	24,459	123,484	9.1%
Cincinnati-Middletown, OH-KY-IN	157,036	16.7%	286,286	1,823	41,989	4,506	20,289	7.1%
Cleveland-Elyria-Mentor, OH	170,052	17.4%	320,780	1,886	41,686	4,987	20,568	6.4%
Colorado Springs, CO	43,326	16.1%	81,408	1,879	16,571	1,698	8,451	10.4%
Columbia, SC	47,727	17.1%	90,399	1,894	10,927	1,844	6,327	7.0%
Columbus, OH	127,867	16.2%	242,303	1,895	37,511	4,215	19,464	8.0%
Dallas-Fort Worth-Arlington, TX	502,274	18.5%	1,017,986	2,027	207,275	18,500	114,113	11.2%
Dayton, OH	62,754	16.9%	114,186	1,820	17,309	3,390	8,315	7.3%
Denver-Aurora, CO	170,359	14.4%	304,597	1,788	49,425	4,737	27,676	9.1%
Des Moines-West Des Moines, IA	25,503	13.5%	49,023	1,922	6,712	1,051	4,459	9.1%
Detroit-Warren-Livonia, MI	368,921	18.3%	701,103	1,900	99,218	8,282	53,462	7.6%
Durham, NC	33,435	16.5%	45,670	1,366	7,629	471	3,735	8.2%
El Paso, TX	86,499	32.7%	197,613	2,285	39,977	3,724	20,457	10.4%
Fresno, CA	89,880	24.5%	210,492	2,342	38,447	3,121	20,916	9.9%
Grand Rapids-Wyoming, MI	64,469	19.8%	119,274	1,850	20,571	2,827	10,651	8.9%
Greensboro-High Point, NC	68,671	19.9%	125,411	1,826	20,162	1,934	10,279	8.2%
Greenville, SC	63,851	19.2%	111,679	1,749	18,063	2,956	8,876	7.9%
Harrisburg-Carlisle, PA	34,242	13.6%	62,106	1,814	10,918	2,277	6,646	10.7%
Hartford-West Hartford-East Hartford, CT	73,098	12.8%	127,008	1,737	18,716	2,310	9,489	7.5%
Honolulu, HI	64,907	14.6%	115,274	1,776	20,649	3,773	10,375	9.0%
Houston-Sugar Land-Baytown, TX	468,059	19.6%	957,309	2,045	188,771	18,644	101,613	10.6%
Indianapolis-Carmel, IN	122,527	16.4%	217,134	1,772	33,668	3,630	18,005	8.3%
Jackson, MS	48,691	23.5%	99,836	2,050	14,828	1,466	7,061	7.1%
Jacksonville, FL	106,757	18.0%	202,144	1,893	31,813	4,206	16,994	8.4%
Kansas City, MO-KS	134,246	15.9%	248,689	1,852	41,166	5,317	22,457	9.0%
Knoxville, TN	53,441	18.0%	86,142	1,612	13,576	1,579	6,000	7.0%
Lancaster, PA	33,359	15.0%	64,483	1,933	11,656	2,446	6,420	10.0%
Lansing-East Lansing, MI	31,836	15.3%	48,896	1,536	7,397	912	3,198	6.5%
Las Vegas-Paradise, NV	129,548	14.9%	233,123	1,800	49,328	6,061	26,795	11.5%
Lexington-Fayette, KY	21,151	15.9%	40,285	1,905	5,724	1,877	2,879	7.1%
Little Rock-North Little Rock, AR	54,723	19.0%	108,550	1,984	17,561	2,218	8,259	7.6%
Los Angeles-Long Beach-Santa Ana, CA	997,569	17.3%	2,076,276	2,081	408,524	39,674	223,675	10.8%
Louisville-Jefferson County, KY-IN	108,483	19.9%	200,008	1,844	24,694	1,705	12,852	6.4%
Madison, WI	27,255	11.8%	43,819	1,608	7,267	388	3,845	8.8%
Memphis, TN-MS-AR	117,478	22.2%	221,178	1,883	31,691	2,884	15,826	7.2%
Miami-Fort Lauderdale-Miami Beach, FL	410,635	16.4%	791,107	1,927	133,019	16,073	62,955	8.0%
Milwaukee-Waukesha-West Allis, WI	123,924	17.0%	230,251	1,858	29,814	3,627	15,881	6.9%
Minneapolis-St. Paul-Bloomington, MN-WI	187,367	12.9%	314,937	1,681	55,918	7,503	29,337	9.3%
Nashville-Davidson--Murfreesboro, TN	112,422	17.0%	203,541	1,811	33,497	3,395	17,289	8.5%
New Haven-Milford, CT	53,495	13.4%	101,516	1,898	15,516	1,918	8,079	8.0%
New Orleans-Metairie-Kenner, LA	92,423	21.1%	167,225	1,809	26,722	2,706	12,339	7.4%
New York-Northern New Jersey-Long Island, NY-NJ-PA	1,188,848	13.7%	2,301,322	1,936	380,559	45,875	192,705	8.4%
Oklahoma City, OK	120,078	21.1%	237,342	1,977	45,862	5,192	22,564	9.5%
Omaha-Council Bluffs, NE-IA	69,202	16.2%	134,092	1,938	20,876	2,098	10,727	8.0%
Orlando-Kissimmee, FL	166,304	17.1%	309,800	1,863	54,967	7,405	28,351	9.2%
Oxnard-Thousand Oaks-Ventura, CA	51,895	14.5%	108,315	2,087	21,567	2,109	12,849	11.9%
Palm Bay-Melbourne-Titusville, FL	40,026	15.1%	65,391	1,634	10,389	1,606	4,492	6.9%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	398,070	14.8%	732,656	1,841	103,158	12,647	54,365	7.4%
Phoenix-Mesa-Scottsdale, AZ	302,908	15.8%	577,141	1,905	117,045	14,983	65,428	11.3%
Pittsburgh, PA	180,991	16.3%	321,352	1,776	48,831	6,779	22,164	6.9%
Portland-South Portland-Biddeford, ME	37,056	13.7%	60,200	1,625	8,571	1,390	3,876	6.4%
Portland-Vancouver-Beaverton, OR-WA	162,393	15.5%	267,594	1,648	46,912	6,567	24,610	9.2%
Poughkeepsie-Newburgh-Middletown, NY	41,337	13.8%	75,985	1,838	12,884	2,031	6,704	8.8%
Providence-New Bedford-Fall River, RI-MA	106,679	14.3%	204,529	1,917	28,629	3,064	13,552	6.6%
Raleigh-Cary, NC	67,639	14.3%	126,491	1,870	24,110	3,096	11,576	9.2%
Richmond, VA	83,486	16.0%	157,765	1,890	20,162	2,846	9,565	6.1%
Riverside-San Bernardino-Ontario, CA	356,736	20.8%	748,026	2,097	146,137	17,066	84,365	11.3%
Rochester, NY	77,334	16.5%	144,345	1,867	16,590	1,200	8,027	5.6%

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Sacramento--Arden-Arcade--Roseville, CA	157,747	16.1%	290,465	1,841	56,294	7,644	31,600	10.9%
Salt Lake City, UT	72,551	16.4%	138,727	1,912	29,998	5,828	17,473	12.6%
San Antonio, TX	194,739	23.3%	424,476	2,180	68,552	6,456	35,861	8.4%
San Diego--Carlsbad--San Marcos, CA	199,762	14.4%	378,991	1,897	64,947	7,106	35,022	9.2%
San Francisco--Oakland--Fremont, CA	230,489	11.2%	399,240	1,732	68,440	8,705	33,539	8.4%
San Jose--Sunnyvale--Santa Clara, CA	90,862	11.4%	173,099	1,905	31,875	4,676	17,539	10.1%
Sarasota--Bradenton--Venice, FL	44,941	12.8%	79,612	1,771	12,234	1,904	6,527	8.2%
Scranton--Wilkes-Barre, PA	51,380	17.5%	95,164	1,852	15,189	2,206	8,323	8.7%
Seattle--Tacoma--Bellevue, WA	205,708	12.7%	349,591	1,699	52,616	5,900	25,477	7.3%
Springfield, MA	55,608	16.6%	104,422	1,878	13,857	1,663	6,340	6.1%
St. Louis, MO-IL	214,176	17.0%	410,766	1,918	51,367	4,836	26,792	6.5%
Stockton, CA	57,695	20.6%	120,430	2,087	23,171	3,235	14,195	11.8%
Syracuse, NY	54,000	19.0%	97,163	1,799	13,049	1,399	5,968	6.1%
Tampa--St. Petersburg--Clearwater, FL	201,966	15.1%	359,466	1,780	58,662	6,279	27,317	7.6%
Toledo, OH	52,696	18.7%	94,365	1,791	12,076	1,530	6,978	7.4%
Trenton--Ewing, NJ	19,092	11.2%	42,770	2,240	4,396	243	2,245	5.2%
Tucson, AZ	87,654	19.1%	158,282	1,806	27,675	2,374	13,967	8.8%
Tulsa, OK	89,659	19.7%	177,186	1,976	30,256	3,782	15,501	8.7%
Virginia Beach--Norfolk--Newport News, VA-NC	124,700	16.4%	235,196	1,886	31,975	4,381	15,438	6.6%
Washington--Arlington--Alexandria, DC--VA--MD--WV	235,822	9.4%	419,916	1,781	68,063	10,201	35,417	8.4%
Wichita, KS	40,773	16.4%	76,532	1,877	14,700	2,034	8,339	10.9%
Worcester, MA	40,599	12.9%	77,415	1,907	11,589	2,373	6,708	8.7%
Youngstown--Warren--Boardman, OH-PA	54,847	20.4%	97,362	1,775	14,874	2,288	7,386	7.6%
<b>100 Metro Total</b>	<b>14,317,118</b>	<b>16.0%</b>	<b>27,269,422</b>	<b>1,905</b>	<b>4,582,478</b>	<b>532,402</b>	<b>2,394,807</b>	<b>8.8%</b>

Source: Brookings Institution MetroTax Model

\*Units "benefit" from an expansion proposal if (A) their EITC credit amount increases; or (B) they become eligible for the EITC under the new parameters

Note: This analysis uses the 2007 American Community Survey PUMS. "Current Law" is based on tax year 2007 eligibility criteria. "House Expansion Proposal" includes a third tier for families with three or more qualifying children that follows the income guidelines for families with two children, but phases in at 45%; it also includes a marriage penalty relief provision that phases out \$2,000 after TY2007 levels for married couples.

**Table 3. EITC-Eligible Tax Units and Credit Amounts Under Current Law and Proposed Expansions by Selected City**

City	Current Law				House Expansion Proposal			
	EITC-Eligible Tax Units	EITC-Eligible Tax Units (%)	EITC Sum (\$1000s)	Average EITC (\$)	Tax Units Benefiting From Proposal*	Newly EITC-Eligible Tax Units	Additional EITC Amount (\$1000s)	%Increase in EITC Amount
Baltimore	70,672	23.3%	132,021	1,868	16,411	2,082	7,459	5.7%
Boise	14,141	14.7%	24,190	1,711	5,150	1,084	2,542	10.5%
Boston	48,940	15.1%	73,239	1,497	10,939	1,291	4,627	6.3%
Charlotte	48,939	17.1%	85,937	1,756	14,049	2,114	7,002	8.1%
Chicago	279,760	21.6%	553,130	1,977	93,100	7,219	50,147	9.1%
Detroit	109,896	32.9%	214,290	1,950	28,542	853	14,979	7.0%
Fresno	49,491	25.3%	114,098	2,305	19,977	1,471	10,713	9.4%
Kansas City	45,048	20.8%	82,851	1,839	12,575	1,272	5,676	6.9%
Lexington-Fayette	21,151	15.9%	40,285	1,905	5,724	1,877	2,879	7.1%
Los Angeles	327,016	18.6%	669,307	2,047	129,966	11,734	68,105	10.2%
Memphis	77,825	28.0%	144,890	1,862	21,303	1,645	9,862	6.8%
Milwaukee	77,280	28.2%	156,261	2,022	21,174	2,141	11,168	7.1%
New York	644,625	16.6%	1,255,800	1,948	215,560	22,614	110,361	8.8%
Philadelphia	139,347	21.3%	256,483	1,841	37,282	3,500	18,469	7.2%
Pittsburgh	24,061	17.1%	42,600	1,771	5,615	388	2,732	6.4%
Raleigh	26,603	16.4%	50,675	1,905	7,790	644	3,784	7.5%
Salt Lake City	16,383	17.2%	29,283	1,787	6,692	274	3,527	12.0%
San Francisco	46,341	10.4%	67,955	1,466	11,164	1,535	5,413	8.0%
Seattle	39,132	11.7%	46,607	1,191	6,372	1,068	2,979	6.4%
Washington	41,302	12.9%	65,547	1,587	7,450	743	3,982	6.1%
<b>U.S. Total</b>	<b>23,974,687</b>	<b>17.5%</b>	<b>45,390,595</b>	<b>1,893</b>	<b>7,709,042</b>	<b>915,934</b>	<b>3,992,374</b>	<b>8.8%</b>

Source: Brookings Institution MetroTax Model

\*Units "benefit" from an expansion proposal if (A) their EITC credit amount increases; or (B) they become eligible for the EITC under the new parameters

Note: This analysis uses the 2007 American Community Survey PUMS. "Current Law" is based on tax year 2007 eligibility criteria. "House Expansion Proposal" includes a third tier for families with three or more qualifying children that follows the income guidelines for families with two children, but phases in at 45%; it also includes a marriage penalty relief provision that phases out \$2,000 after TY2007 levels for married couples.