



Date: May 25, 2022

To: Senate Finance Committee

Re: Increasing the Michigan Earned Income Tax Credit

**Michigan's Children supports increasing the value of the Earned Income Tax Credit (EITC) to over 30% of the federal credit.** The EITC has bipartisan support and is our most effective method of economic relief for working families who struggle most greatly with expenses and their children. Research shows increasing Michigan's EITC would boost employment by encouraging people to work and will help Michigan's economy by encouraging increased spending from families in their local communities.

**Expanding Michigan's EITC would provide a significant tax cut for 750,000 Michigan families and reach nearly one million children.** An increase of at least 30% should be considered the floor for proposals that would have the greatest economic impact.

The current state revenue surplus presents an opportunity not only to reverse decades of underinvestment into critical supports for families like child care and mental health, but also to prioritize tax policies that benefit families who right now shoulder the greatest economic challenges.

We urge you to make the Earned Income Tax Credit the centerpiece of any tax reform plan for our state.

Sincerely,

Matthew Gillard  
President & CEO

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