

A refundable State Earned Income Tax Credit (EITC) and Child and Dependent Care Credit (CDCC) are powerful tools in helping families work their way out of poverty. These credits reward work and boost local economies. Ohio's families deserve what families in dozens of other states have – a refundable State Earned Income Tax Credit and a refundable Child and Dependent Care Credit. Enacted in 1975 under President Ford, and expanded under Presidents Reagan, Bush and Clinton, the federal EITC is supported by policy makers on both sides of the aisle.



### Local Community Impact

- In 2005, the federal EITC brought \$1.4 billion dollars to Ohio.
- Working families spent those dollars in their local communities to pay off debt, pay for transportation to work, invest in education, and buy basic necessities.
- The EITC has a significant multiplier effect. For every \$1 spent on the federal EITC, another \$1.50 to \$2.00 is generated in local economic activity.
- The average Ohio House district saw \$14.6 million in federal EITC returns, and the average Ohio Senate district received \$44 million.
- A state EITC at 5% of the federal credit would bring an average of \$731,000 to the local economy in an Ohio House district, and average \$2 million to a Senate district.
- Increasing the ability of families to afford child and dependent care contributes to more hiring of child and adult care workers.
- More jobs in the child and adult day care industry means more dollars flowing into the local economy.

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