

Improve the Child Tax Credit and Earned Income Tax Credit in 2025

RESULTS urges you to support hardworking families by providing the EITC and CTC to more families with low incomes.

The Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) have supported families and workers for decades. They are two of our most effective tools at reducing poverty. These credits provide workers, families, and children the tools to meet basic needs. In any 2025 tax legislation, Congress has an opportunity to make major improvements to the CTC and EITC that could benefit millions.

- **Make the CTC available to more working families with low incomes. Both parties support a stronger CTC reaching more kids.** This can be easily achieved by making the CTC phase-in “per child”, an idea that passed the house with 357 votes in 2024. Under current law, families with low incomes only receive credit for one child, even if they have more. This punishes families for having more kids. Any tax legislation this year should remedy this inequity.
- **End age restrictions for the EITC.** Currently, the EITC is only available to those between the ages of 25 to 64. This age range leaves out many workers who need the EITC to supplement low annual incomes to afford basic needs like food and rent.
- **Increase the EITC for workers who do not claim dependents.** The current maximum credit is only \$600, and few workers qualify for the full benefit. Because their EITC is artificially low, these workers are the only group taxed *into* poverty each year. The EITC for low-wage workers without dependents should be significantly increased. It should also be expanded so more workers qualify for the full benefit.

These credits invest in our families and workforce. There is no better way to achieve our shared goal of healthy and prosperous communities. Improving the CTC and EITC in any 2025 tax bill would be an easy way to grow this prosperity.

As you and your colleagues discuss tax legislation in 2025, it is also critical we pay for these tax priorities smartly. Congress must not enact cuts to SNAP, WIC, Medicaid, Medicare, Social Security, or other vital programs to pay for more tax cuts.

RESULTS urges you to expand the Child Tax Credit and Earned Income Tax credit for households with low incomes in any tax legislation this year. At the same time, vital programs like Social Security, Medicare/Medicaid, SNAP and WIC must be protected and not used to finance any tax changes.

Enact relief for renters with a refundable renter tax credit

RESULTS urges you to enact a refundable tax credit for renters to make housing more affordable for those struggling with rent costs.

Skyrocketing rental costs are so high that even employed renters cannot keep up.

There are 45 million renter households in the U.S. today struggling to pay increasing rent costs. The tax code has long supported homeowners with tax deductions (e.g., residential mortgage interest and property tax deductions). It similarly supports builders, developers, and landlords (e.g., Low-Income Housing Tax Credit). Meanwhile, the tax code does nothing for renters, who pay taxes and contribute to the economy like everyone else.

Existing housing and homelessness programs are not enough to meet the need.

There is no one-size-fits-all solution to the affordable housing and homelessness crises. Congress provides modest funding for housing assistance and homelessness programs. But these programs have not proven sufficient. Strict eligibility requirements and tight funding allow these programs to only reach a fraction of people who need them. For example, the Housing Choice Voucher program is America's largest housing assistance program. It only serves 1 in 4 eligible households. Many states have renter support in their tax codes, but the funds are inadequate and/or target only specific groups (e.g., seniors).

Refundable tax credits equip people to lift and keep themselves out of poverty. A refundable tax credit for renters is a simple and effective way to help make housing affordable. For years, the refundable Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC) have effectively helped people afford basic necessities. Families use the cash support from these credits for food, housing, utilities, diapers, and more. A refundable renter tax credit (RTC) can target similar cash resources to "rent-burdened" households. A household is "rent-burdened" when they pay more than 30 percent of their income toward rent. An RTC could effectively cap a household's rental expenses at 30 percent of their income. This would come at a key time as prices for other necessities continue to outpace wages. The RTC would provide housing stability and reduce evictions. It would also prevent homelessness and give renters more options for where to live. An RTC program would complement ongoing efforts to increase the affordable housing supply. Put simply, a renter tax credit gives individuals, families, and communities the freedom to prosper.

In any tax legislation this year, RESULTS urges you to enact a refundable tax credit for renters with low incomes. This will help with skyrocketing rent costs for families.