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## American Rescue Plan Act Includes Critical Expansions of Child Tax Credit and EITC

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Two key tax credit provisions in the American Rescue Plan Act will provide significant help to those on the fault lines of some of the pandemic’s worst economic effects. People who have lower incomes, are Black or Latino, have less than a college education, or work in face-to-face service occupations have long faced barriers to high-paying jobs and opportunity, which the pandemic and its economic fallout have widened. The Act’s temporary provisions making the full Child Tax Credit available to all children except those with the highest incomes (sometimes called making the credit “fully refundable”) and making an expanded Earned Income Tax Credit (EITC) available to far more low-paid workers not raising children in the home (so-called “childless workers”) will result in historic reductions of child poverty and provide timely income support for millions of people, including millions of essential workers.

The current Child Tax Credit and EITC together lift more children above the poverty line, 5.5 million, than any other economic support program.<sup>1</sup> This level of poverty reduction was achieved through multiple expansions of the EITC and Child Tax Credit since their respective enactments in 1975 and 1997. The American Rescue Plan Act, by making one significant set of changes to the Child Tax Credit, will lift another 4.1 million children above the poverty line, cutting the number of children in poverty by more than 40 percent. *Permanently* enacting this historic provision — along with the EITC provision, which will stop the federal tax code from taxing millions of workers without children into or deeper into poverty — would be a landmark achievement, and should be an urgent priority for policymakers.

The American Rescue Plan Act expansions will help many hard hit by the current crisis. Many in essential jobs have faced a higher risk of infection and death due to their jobs, while many others lost their jobs or saw their incomes fall due to pandemic-related closures or reduced hours. Jobs in low-paying industries were down more than twice as much between February 2020 and February 2021 as jobs in medium-wage industries and more than three times as much as in high-wage

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<sup>1</sup> These credits lifted 5.5 million children above the poverty line in 2018 and 5.1 million children in 2017.

industries.<sup>2</sup> Due to employment discrimination and unequal opportunity in education and housing, among other factors, gaps in unemployment between Black and Latino workers on one hand and white workers on the other widen quickly in recessions and narrow much more slowly after an economic recovery begins. Today the Black unemployment rate remains at 9.9 percent and the Latino rate at 8.5 percent, while the white unemployment rate has fallen back to 5.6 percent.<sup>3</sup>

The Act's two tax credit expansions will do much to alleviate these harmful effects, by:

**Making the full Child Tax Credit available to all children except those with the highest incomes.** Some 27 million children — including roughly half of all Black and Latino children and a similar share of rural children — received less than the maximum \$2,000-per-child tax credit under prior law because their parents earn too little, even as middle- and higher-income families received the full amount. The Act makes the full Child Tax Credit available to children in families with low earnings or that lack earnings in a year, and it increases the credit's maximum amount to \$3,000 per child and \$3,600 for children under age 6. It also extends the credit to 17-year-olds. The increase in the maximum amount begins to phase out for heads of households making \$112,500 and married couples making \$150,000. These changes will lift 4.1 million children above the poverty line — cutting the number of children in poverty by more than 40 percent. They also will lift 1.1 million children above half the poverty line (referred to as “deep poverty”). Black and Latino children in particular, whom the credit disproportionately left out or left behind, will benefit.

**Making an overdue EITC increase for low-paid working adults not raising children in the home.** The EITC is a powerful wage subsidy but has suffered from a glaring flaw: it largely excluded workers not raising children, providing only a tiny credit to a very small number of these workers. The American Rescue Plan Act fixes this flaw at a critical time by raising the maximum EITC for workers without children from roughly \$540 to roughly \$1,500, and the income cap for these adults to qualify from about \$16,000 to at least \$21,000. It also expands the age range of eligible workers without children to include younger adults aged 19-24 (excluding students under 24 who are attending school at least part time), as well as people aged 65 and over. This will provide timely income support to over 17 million people who do important work for low pay, including the 5.8 million people who are currently the lone group that the federal tax code taxes into, or deeper into, poverty, in large part because their EITC is too low.

## **Expanded Child Tax Credit Will Cause Historic Reduction in Child Poverty**

Low-income children, disproportionately children of color, have been particularly hard hit by the pandemic and its related economic and educational harms. Between 6 and 10 million children live in a household where the children didn't eat enough because the household couldn't afford it, according to the most recent Census data.<sup>4</sup> Many of these same children also have a higher risk of

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<sup>2</sup> Center on Budget and Policy Priorities, “Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships,” updated March 10, 2021, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and-employment-hardships>.

<sup>3</sup> Center on Budget and Policy Priorities, “Chart Book: Tracking the Post-Great Recession Economy,” updated March 5, 2021, <https://www.cbpp.org/research/economy/tracking-the-post-great-recession-economy>.

<sup>4</sup> “Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships,” *op. cit.*

losing school instruction time due to the pandemic; “[l]earning loss will probably be greatest among low-income, black, and Hispanic students,” one analysis found.<sup>5</sup>

Raising the incomes of children growing up in poverty through policies such as the Child Tax Credit can make an important difference in children’s lives now and in the long term, a congressionally chartered report issued in 2019 by a National Academy of Sciences (NAS) panel on child poverty explained. “The weight of the causal evidence does indeed indicate that income poverty itself causes negative child outcomes, especially when poverty occurs in early childhood or persists throughout a large portion of childhood,” concluded the panel. The better outcomes that are linked with stronger income assistance include healthier birthweights, lower maternal stress (measured by reduced stress hormone levels in the bloodstream), better childhood nutrition, higher school enrollment, higher reading and math test scores, higher high school graduation rates, less use of drugs and alcohol, and higher rates of college entry. The NAS panel devised two packages of policy proposals aimed at cutting child poverty in half, one of which included as a centerpiece a \$2,700-per-child “child allowance” that is very similar to the American Rescue Plan Act’s expanded Child Tax Credit.<sup>6</sup> (The NAS plan included several other substantial components, including an EITC expansion, that taken together are larger than the Act’s expanded Child Tax Credit.)

The American Rescue Plan Act’s Child Tax Credit expansion will deliver significant additional income to low-income children and their families. It will make the full credit available to 27 million children<sup>7</sup> — including roughly half of all Black and Latino children and a similar share of children who live in rural areas — whose families haven’t qualified for the full credit because their parents lack earnings or have earnings that are too low.<sup>8</sup> (See Appendix Table 1 for estimates by state). Of these 27 million children, an estimated 9.9 million are Latino, 5.7 million are Black, and 814,000 are Asian American. (See Appendix Table 2 for state-specific estimates by race/ethnicity.)

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<sup>5</sup> Emma Dorn, “COVID-19 and student learning in the United States: The hurt could last a lifetime,” McKinsey & Co., June 1, 2020, <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-student-learning-in-the-united-states-the-hurt-could-last-a-lifetime#>.

<sup>6</sup> National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, National Academies Press, 2019, <https://www.nap.edu/read/25246>.

<sup>7</sup> Robert Greenstein *et al.*, “Improving the Child Tax Credit for Very Low-Income Families,” US Partnership on Mobility from Poverty, April 2018, <https://www.mobilitypartnership.org/improving-child-tax-credit-very-low-income-families>.

<sup>8</sup> Senator Mitt Romney proposed a similar expansion in the Child Tax Credit, making it fully available to all low-income children and increasing the amount from \$2,000 to \$3,000 for children between ages 6 and 17 and to \$4,200 for children under 6. The major differences between the temporary changes in the American Rescue Plan Act and the permanent Romney plan are that the Romney plan provides the increase to families with much higher incomes, beginning to phase out for married couples making \$400,000, and that it pays for the proposal with sharp cuts in other income support programs for low-income families, including a 65 percent cut in the EITC and the elimination of the Temporary Assistance for Needy Families (TANF) block grant. States use TANF to provide income assistance to 1.1 million families with children who have very low incomes and to fund a set of other services, including child care, transportation assistance, and services for children at risk of being removed to foster care and their families.

Among the 4.1 million children whom the expansion will lift above the poverty line, 1.2 million are Black and 1.7 million are Latino. Of the 9.9 million children it will lift above *or closer to* the poverty line, 2.3 million are Black, 4.1 million are Latino, and 441,000 are Asian American.<sup>9</sup>

To see what this can mean to individual families, consider these examples:

- A single mother of a toddler, who earns \$10,000 a year providing in-home care to older people (with work hours that fluctuate significantly from month to month), previously received a Child Tax Credit of \$1,125. Under the American Rescue Plan Act, she will receive \$3,600, a gain of \$2,475.
- A single mother with a 4-year-old daughter and 8-year-old son, who is out of work for the year due to a health condition, previously received no Child Tax Credit at all, adding to the family's financial insecurity. Under the Act, she will receive the full Child Tax Credit of \$3,600 for her daughter and \$3,000 for her son to help with the children's expenses.
- A married couple in which one spouse earns \$20,000 as a short-order cook and the other cares for their 3-year-old son and 7-year-old daughter previously received a credit of \$2,625 — well below the \$4,000 credit that a higher-income family with two children received. Under the Act, they will receive the full Child Tax Credit of \$3,600 for their son and \$3,000 for their daughter, for a family gain of \$3,975.

The Child Tax Credit expansion will provide important help to people in a myriad of jobs that pay little and often have fluctuating schedules, including people caring for the elderly, driving buses, cooking and serving meals, and doing many other kinds of important work. (See Table 1.) These occupations are also not conducive to remote work, raising people's risk of infection during the current crisis.

An estimated 65.7 million children will receive a larger Child Tax Credit under the expansion, which will deliver economic support to large numbers of children in every state, including 17.5 million Latino children, 9.4 million Black children, and 2.8 million Asian American children.<sup>10</sup> (See Appendix Table 3.)

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<sup>9</sup> Racial and ethnic categories in this report do not overlap. Unless otherwise noted, figures for each racial group such as Black or Asian American do not include individuals who identify as multiracial or of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. Data are not available for people living in the territories.

Figures for children identified as American Indian or Alaska Native (AIAN) are particularly sensitive to definition. Among the roughly 2.0 million children identified as AIAN alone or in combination, regardless of Latino ethnicity, 180,000 will be lifted above the poverty line and 344,000 will be lifted above *or closer to* the poverty line by the Act's Child Tax Credit expansion. (If we apply the non-overlapping categories this report uses for other groups, only 684,000 children are considered AIAN alone, not Latino; 70,000 of them will be lifted above the poverty line and 111,000 of them will be lifted above *or closer to* the poverty line by the Child Tax Credit expansion.) Data for children identified as Native Hawaiian or Pacific Islander (NHOP) are not provided due to limited sample size.

These figures are preliminary CBPP estimates based on U.S. Census Bureau's March 2019 Current Population Survey, using 2020 tax parameters and incomes adjusted for inflation to 2020 dollars. These calculations use the Supplemental Poverty Measure, which counts more forms of income than the "official" poverty measure (among other differences).

<sup>10</sup> Among the roughly 2.0 million children identified as AIAN alone or in combination, regardless of Latino ethnicity, about 1.9 million will benefit from this Child Tax Credit expansion. (If we apply the non-overlapping categories this

TABLE 1

## People in Selected Essential Occupations Who Will Benefit From Child Tax Credit Expansion in American Rescue Plan Act

Occupation	Number of workers who will gain	Workers who will gain as a share of all workers aged 18 and older in occupation
Truck and delivery drivers	1,069,000	27%
Cashiers	1,048,000	30%
First-line supervisors/managers of retail sales workers	995,000	29%
Nursing, psychiatric, and home health aides	801,000	35%
Janitors and building cleaners	682,000	27%
Cooks	661,000	29%
Personal and home care aides	497,000	31%
Child care workers	474,000	36%
Miscellaneous agricultural workers	381,000	38%
Food preparation workers	315,000	28%
Medical assistants	292,000	46%
Health practitioner support technicians	219,000	31%
Bus drivers	186,000	29%
Hand packers and packagers	173,000	26%
First-line supervisors/managers of food preparation and serving workers	164,000	26%
<b>All occupations</b>	<b>46,822,000</b>	<b>28%</b>

Source: Preliminary CBPP estimates based on U.S. Census Bureau's March 2019 Current Population Survey, using 2020 tax parameters and incomes adjusted for inflation to 2020 dollars.

report uses for other groups, only 684,000 children are considered AIAN alone, not Latino; about 640,000 of them will benefit from this expansion.)

NHOPI estimates are also particularly sensitive to definition. Among the roughly 619,000 children identified as NHOPI alone or in combination, regardless of Latino ethnicity, about 565,000 will benefit. (Data on children identified as NHOPI alone, not Latino, are not provided due to limited sample size.)

Preliminary CBPP analysis of March 2019 Current Population Survey, using 2020 tax parameters and incomes adjusted for inflation to 2020 dollars.

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## Act Protects Families With Low Incomes From Repaying Large Amounts They Receive in Advance

The American Rescue Plan Act will provide families with advance payments of their Child Tax Credit for tax year 2021. Between July and December 2021, these advance payments will be provided monthly (or perhaps less frequently, if the IRS has implementation challenges) to the tax filer who claimed the child on a previous year tax return (2020 or, if not available, 2019).

One drawback to providing families with advance payments of their Child Tax Credit is that when tax filers submit their tax return for the year in which they received advance payments, they could end up ineligible for those payments. While changes in income could affect the amount of the credit for which someone is eligible, a more significant issue will arise when a child who lived with the tax filer in the prior year does not live with that same tax filer in the year for which the advance payments were made. For example, a child's father may have claimed the child in the prior year (2020) but the child may live with her mother in 2021. In this case, the father may receive advance payments for the 2021 Child Tax Credit but then learn that he is ineligible for the tax credit when he files his 2021 tax return because the child did not live with him this year. Without appropriate safeguards, low-income tax filers in this situation could owe large amounts to the IRS to repay the federal government for advance payments they received.

More than 3 million children in any given year live with a different adult than they lived with the prior year, we estimate using longitudinal Census data, and a large share have modest incomes.<sup>a</sup> The American Rescue Plan Act includes important safeguards to protect these low-income tax filers who receive advance payments and are later found ineligible, limiting the extent to which they will have to repay the federal government. Under the Act, single individuals with incomes below \$40,000, heads of households with incomes below \$50,000, and married couples with incomes below \$60,000 will not have to repay amounts received in advance.

For those with incomes above these thresholds, the amount they have to repay will phase in, though the repayments could be significant for some households. A single individual with income of \$55,000 who received \$1,500 in advance payments for a child who no longer lives with them would owe back \$250; if the filer's income were \$60,000, they would owe back \$500. (A filer would owe these amounts back to the IRS even if they spent the advance payment toward care for the child.)

Because of these safeguards, a large share of those who might be at risk for owing money back will either not be required to repay the advance payments or will only have to repay a partial amount.

The Act also provides a mechanism for families to opt out of the advance payment, but it is likely that many filers will not understand the provision or mechanism for opting out well enough to know if they should exercise this option.

If the Act's Child Tax Credit changes (including the advance payments) are later made permanent, further steps will be needed to reduce the number of people who receive advance payments and then are found ineligible for the credit and to ensure that those who are in this situation are not asked to repay amounts they cannot afford.

<sup>a</sup> CBPP calculation based on Census' Survey of Income and Program Participation data for children who changed parents between 2013 and 2014.

## A Meaningful EITC for Workers Without Children

The American Rescue Plan Act expands the EITC for over 17 million adults not raising children at home who work hard at important, but low-paid, jobs. The EITC is a highly successful wage subsidy that's earned bipartisan support over the years, but until now it largely excluded adults who aren't raising children in their homes, and it completely excluded young workers without children trying to gain a toehold in the labor market.

Adults not raising children are the lone group that the federal tax code actually taxes into, or deeper into, poverty, partly because their EITC has been so meager. Some 5.8 million workers aged 19-65 (excluding full-time students aged 19-23) without children — including 1.5 million Latino and over 1 million Black workers — are taxed into or deeper into poverty.<sup>11</sup>

For workers without children, the Act raises the maximum EITC from roughly \$540 to roughly \$1,500 and raise the income limit to qualify from about \$16,000 to at least \$21,000.<sup>12</sup> It also expands the age range of workers without children eligible for the tax credit to include younger adults aged 19-24 (excluding students under 24 who are attending school at least part time), as well as people 65 and over.<sup>13</sup>

To see how this will benefit these workers, consider a 25-year-old single woman who worked roughly 30 hours a week throughout 2020 as a cashier at a convenience store and earned about \$9 an hour. Her annual earnings of \$13,700 were just above the poverty line of \$13,621 for a single individual. But under prior law, federal taxes pushed her into poverty:

- Some \$1,048 — 7.65 percent of her earnings — was withheld from her paychecks for Social Security and Medicare payroll taxes.
- When filing income taxes, she could claim the \$12,400 standard deduction, which left her with \$1,300 in taxable income. Since she was in the 10 percent tax bracket, she owed \$130 in federal income tax.
- Thus, her combined federal income and payroll tax liability, not counting the EITC, was \$1,178. She received a small EITC of \$160, so her net federal income and payroll tax liability was \$1,018.
- In other words, her earnings were just above the poverty line, but federal taxes pushed her income about \$940 *below* the poverty line.
- Under the American Rescue Plan Act, her EITC will grow to \$1,116, raising her income after federal income and payroll taxes to \$29 *above* the poverty line.

All told, the Act will benefit 17.3 million workers without children across the country, including roughly 2.8 million Black, 2.8 million Latino, and 678,000 Asian American workers. (See Appendix Table 4 for estimates by state and by race/ethnicity.)

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<sup>11</sup> CBPP estimates based on the U.S. Census Bureau's March 2019 Current Population Survey, using 2020 tax parameters and incomes adjusted for inflation to 2020 dollars. The estimates count all workers aged 19-65 (excluding full-time students aged 19-23) who are pushed below the Census poverty thresholds — or further below them — by their federal income tax liability (if any) and the employee share of the payroll tax. The estimate excludes full-time students aged 19-23 because, under current law, their parents can claim them as qualifying children for the larger EITC for families with children. Poverty status is determined at the level of the tax filing unit. We use the 2019 Census official poverty threshold appropriate for the tax unit based on the number and age of the tax unit members, inflated to 2020 dollars.

<sup>12</sup> Senator Mitt Romney proposed to significantly reduce the EITC for families with children while expanding the EITC for workers not raising children. For the latter group, his proposal would raise the maximum EITC from roughly \$530 to \$1,000 for a single filer and \$2,000 for a married couple, and raise the income limit to qualify from about \$16,000 to \$17,000 for a single filer and from about \$22,000 to \$34,000 for a married couple. His proposal also increases the phase-in and phase-out rates for the credit.

<sup>13</sup> The Act also extends eligibility to former foster youth and youth experiencing homelessness starting at age 18.

The top occupations that will benefit include cashiers, food preparers and servers, and home health aides. (See Table 2.) The pandemic has helped the nation better understand and appreciate these workers and millions of others who work for low pay and the essential role they play in keeping this economy running, even while they often lack benefits that many other workers take for granted, such as paid sick days. They deserve more than the meager EITC in prior law, and the American Rescue Plan Act will provide concrete, meaningful help.

TABLE 2

**Workers Without Children in Selected Essential Occupations Who Will Benefit From EITC Expansion in American Rescue Plan Act**

<b>Occupation</b>	<b>Number of workers who will gain</b>	<b>Workers who will gain as a share of all workers aged 19 and older in occupation</b>
Cashiers	1,074,000	33%
Retail salespersons	670,000	20%
Cooks	658,000	30%
Janitors and building cleaners	529,000	21%
Laborers and freight, stock, and material movers, by hand	526,000	23%
Personal and home care aides	472,000	30%
Truck and delivery drivers	411,000	10%
Nursing, psychiatric, and home health aides	386,000	17%
Stock clerks and order fillers	383,000	26%
Food preparation workers	312,000	30%
Child care workers	304,000	24%
First-line supervisors/managers of retail sales workers	258,000	7%
Hand packers and packagers	202,000	31%
Miscellaneous agricultural workers	178,000	18%
Dishwashers	105,000	51%
Bus drivers	71,000	11%
<b>All occupations</b>	<b>17,271,000</b>	<b>11%</b>

Note: Workers without children counted as benefiting from the American Rescue Plan Act EITC expansion are those aged 19 and older (excluding full-time students 19-24). Subsequent to our analysis, the legislation revised both the EITC's limit on asset income (from no limit to a \$10,000 limit), which will slightly reduce the number of persons who obtain the credit, and the definition of excluded students (from full-time students under age 25 to students attending school at least part-time under age 24).

Source: CBPP estimates based on U.S. Census Bureau's March 2019 Current Population Survey.



## Appendix

APPENDIX TABLE 1

### Estimated Number of Children Who Will Benefit From Child Tax Credit Expansion in American Rescue Plan Act, by State

State	Children under 17 left out of full \$2,000 Child Tax Credit in prior law who will benefit from expansion	Children under 18 lifted above the poverty line by expansion	Children under 18 lifted above or closer to the poverty line by expansion	Children under 18 who will benefit from expansion	Share of children under 18 who will benefit from expansion
<b>Total U.S.</b>	27,000,000	4,140,000	9,894,000	65,694,000	90%
<b>Alabama</b>	479,000	80,000	162,000	1,021,000	94%
<b>Alaska</b>	52,000	12,000	21,000	167,000	91%
<b>Arizona</b>	690,000	112,000	238,000	1,508,000	93%
<b>Arkansas</b>	324,000	48,000	94,000	661,000	94%
<b>California</b>	3,527,000	553,000	1,689,000	7,865,000	88%
<b>Colorado</b>	345,000	57,000	132,000	1,109,000	89%
<b>Connecticut</b>	199,000	29,000	79,000	608,000	83%
<b>Delaware</b>	67,000	10,000	24,000	183,000	90%
<b>District of Columbia</b>	52,000	8,000	25,000	94,000	76%
<b>Florida</b>	1,733,000	272,000	698,000	3,837,000	92%
<b>Georgia</b>	1,042,000	171,000	354,000	2,274,000	91%
<b>Hawai'i</b>	92,000	14,000	43,000	278,000	92%
<b>Idaho</b>	154,000	17,000	37,000	410,000	94%
<b>Illinois</b>	986,000	153,000	338,000	2,543,000	89%
<b>Indiana</b>	556,000	80,000	175,000	1,453,000	93%
<b>Iowa</b>	198,000	25,000	48,000	669,000	93%
<b>Kansas</b>	219,000	29,000	57,000	652,000	93%
<b>Kentucky</b>	421,000	69,000	143,000	931,000	93%
<b>Louisiana</b>	529,000	94,000	188,000	1,028,000	94%
<b>Maine</b>	75,000	10,000	21,000	229,000	91%
<b>Maryland</b>	353,000	52,000	158,000	1,125,000	85%
<b>Massachusetts</b>	355,000	55,000	161,000	1,105,000	81%
<b>Michigan</b>	810,000	117,000	249,000	1,970,000	92%
<b>Minnesota</b>	321,000	44,000	85,000	1,126,000	88%
<b>Mississippi</b>	350,000	57,000	116,000	677,000	96%
<b>Missouri</b>	505,000	73,000	153,000	1,262,000	92%
<b>Montana</b>	78,000	10,000	21,000	210,000	93%
<b>Nebraska</b>	141,000	18,000	36,000	434,000	93%

APPENDIX TABLE 1

## Estimated Number of Children Who Will Benefit From Child Tax Credit Expansion in American Rescue Plan Act, by State

State	Children under 17 left out of full \$2,000 Child Tax Credit in prior law who will benefit from expansion	Children under 18 lifted above the poverty line by expansion	Children under 18 lifted above or closer to the poverty line by expansion	Children under 18 who will benefit from expansion	Share of children under 18 who will benefit from expansion
Nevada	272,000	40,000	86,000	634,000	94%
New Hampshire	52,000	8,000	20,000	222,000	87%
New Jersey	560,000	89,000	257,000	1,608,000	82%
New Mexico	244,000	32,000	71,000	454,000	95%
New York	1,546,000	242,000	680,000	3,564,000	87%
North Carolina	924,000	137,000	307,000	2,088,000	92%
North Dakota	40,000	4,000	10,000	157,000	92%
Ohio	948,000	132,000	278,000	2,372,000	92%
Oklahoma	398,000	63,000	113,000	895,000	94%
Oregon	292,000	40,000	92,000	779,000	90%
Pennsylvania	892,000	140,000	311,000	2,368,000	90%
Rhode Island	67,000	8,000	23,000	185,000	91%
South Carolina	475,000	68,000	151,000	1,025,000	94%
South Dakota	67,000	10,000	19,000	197,000	93%
Tennessee	633,000	95,000	212,000	1,394,000	93%
Texas	3,091,000	503,000	1,079,000	6,696,000	92%
Utah	235,000	32,000	69,000	860,000	94%
Vermont	30,000	4,000	8,000	105,000	91%
Virginia	530,000	85,000	249,000	1,591,000	86%
Washington	478,000	66,000	159,000	1,437,000	88%
West Virginia	169,000	23,000	50,000	346,000	94%
Wisconsin	368,000	46,000	94,000	1,159,000	92%
Wyoming	35,000	3,000	11,000	128,000	95%

Notes: Based on economy as of 2016-2018 using tax year 2020 tax rules and incomes adjusted for inflation to 2020 dollars. Children left out receive less than full \$2,000 per child because their parents lack earnings or have earnings that are too low.

Source: For children left out of the full \$2,000 Child Tax Credit, Tax Policy Center national estimate allocated by state based on CBPP analysis of American Community Survey (ACS) data for 2016-2018. For remaining columns, preliminary CBPP analysis of the March 2019 Current Population Survey (national estimate) allocated by state based on CBPP analysis of ACS data for 2016-2018. Poverty calculations also use U.S. Census Bureau Supplemental Poverty Measure research files for the ACS.

APPENDIX TABLE 2

### Estimated Children Under 17 Left Out of Full \$2,000 Child Tax Credit in Prior Law, by State and by Race/Ethnicity

State	Total	White	Black	Latino	Asian	Another race or multiple races
<b>Total U.S.</b>	27,000,000	8,781,000	5,716,000	9,910,000	814,000	1,779,000
Alabama	479,000	180,000	219,000	55,000	N/A	22,000
Alaska	52,000	15,000	N/A	N/A	N/A	26,000
Arizona	690,000	154,000	39,000	404,000	8,000	84,000
Arkansas	324,000	158,000	87,000	55,000	N/A	22,000
California	3,527,000	450,000	226,000	2,484,000	222,000	145,000
Colorado	345,000	121,000	19,000	176,000	8,000	22,000
Connecticut	199,000	53,000	37,000	92,000	N/A	11,000
Delaware	67,000	19,000	26,000	17,000	N/A	N/A
District of Columbia	52,000	N/A	42,000	N/A	N/A	N/A
Florida	1,733,000	467,000	498,000	658,000	26,000	84,000
Georgia	1,042,000	274,000	470,000	221,000	21,000	56,000
Hawai'i	92,000	N/A	N/A	20,000	15,000	47,000
Idaho	154,000	96,000	N/A	46,000	N/A	10,000
Illinois	986,000	298,000	263,000	355,000	26,000	44,000
Indiana	556,000	307,000	107,000	95,000	11,000	36,000
Iowa	198,000	121,000	24,000	32,000	N/A	17,000
Kansas	219,000	107,000	23,000	65,000	N/A	20,000
Kentucky	421,000	292,000	59,000	37,000	N/A	27,000
Louisiana	529,000	160,000	294,000	42,000	N/A	28,000
Maine	75,000	62,000	N/A	N/A	N/A	6,000
Maryland	353,000	82,000	148,000	85,000	13,000	24,000
Massachusetts	355,000	118,000	50,000	144,000	21,000	22,000
Michigan	810,000	408,000	230,000	97,000	16,000	59,000
Minnesota	321,000	133,000	73,000	56,000	23,000	36,000
Mississippi	350,000	104,000	213,000	17,000	N/A	15,000
Missouri	505,000	299,000	112,000	46,000	N/A	43,000
Montana	78,000	51,000	N/A	N/A	N/A	21,000
Nebraska	141,000	66,000	13,000	46,000	N/A	11,000
Nevada	272,000	53,000	42,000	143,000	N/A	23,000
New Hampshire	52,000	40,000	N/A	N/A	N/A	N/A
New Jersey	560,000	144,000	121,000	251,000	23,000	21,000
New Mexico	244,000	33,000	N/A	165,000	N/A	42,000
New York	1,546,000	470,000	314,000	570,000	123,000	68,000

APPENDIX TABLE 2

### Estimated Children Under 17 Left Out of Full \$2,000 Child Tax Credit in Prior Law, by State and by Race/Ethnicity

State	Total	White	Black	Latino	Asian	Another race or multiple races
North Carolina	924,000	300,000	299,000	241,000	18,000	66,000
North Dakota	40,000	20,000	N/A	N/A	N/A	12,000
Ohio	948,000	512,000	247,000	91,000	N/A	87,000
Oklahoma	398,000	153,000	52,000	100,000	N/A	90,000
Oregon	292,000	146,000	N/A	103,000	N/A	25,000
Pennsylvania	892,000	428,000	195,000	190,000	24,000	53,000
Rhode Island	67,000	23,000	N/A	30,000	N/A	N/A
South Carolina	475,000	156,000	220,000	65,000	N/A	29,000
South Dakota	67,000	28,000	N/A	N/A	N/A	29,000
Tennessee	633,000	313,000	187,000	93,000	N/A	33,000
Texas	3,091,000	478,000	432,000	2,042,000	60,000	79,000
Utah	235,000	131,000	N/A	75,000	N/A	19,000
Vermont	30,000	26,000	N/A	N/A	N/A	N/A
Virginia	530,000	194,000	178,000	103,000	17,000	39,000
Washington	478,000	191,000	32,000	174,000	20,000	61,000
West Virginia	169,000	144,000	N/A	N/A	N/A	12,000
Wisconsin	368,000	172,000	73,000	76,000	13,000	34,000
Wyoming	35,000	22,000	N/A	N/A	N/A	N/A

Notes: Figures are rounded to the nearest 1,000 and may not sum to totals due to rounding. N/A indicates reliable data are not available due to small sample size. Based on economy as of 2016-2018 using tax year 2020 tax rules and incomes adjusted for inflation to 2020 dollars. Children left out receive less than full \$2,000 per child because their parents lack earnings or have earnings that are too low. Racial and ethnic categories do not overlap. Figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race.

Source: Tax Policy Center national estimate allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

APPENDIX TABLE 3

**Estimated Number of Children Under 18 Who Will Benefit from Child Tax Credit Expansion in American Rescue Plan Act, by State and by Race/Ethnicity**

State	Total	White	Black	Latino	Asian	Another race or multiple races
<b>Total U.S.</b>	65,694,000	32,029,000	9,374,000	17,543,000	2,776,000	3,972,000
Alabama	1,021,000	576,000	316,000	78,000	12,000	39,000
Alaska	167,000	79,000	N/A	16,000	N/A	59,000
Arizona	1,508,000	564,000	69,000	695,000	34,000	147,000
Arkansas	661,000	412,000	119,000	84,000	8,000	38,000
California	7,865,000	1,769,000	411,000	4,470,000	778,000	437,000
Colorado	1,109,000	595,000	48,000	376,000	31,000	59,000
Connecticut	608,000	308,000	77,000	166,000	24,000	32,000
Delaware	183,000	88,000	47,000	30,000	6,000	11,000
District of Columbia	94,000	10,000	63,000	15,000	N/A	N/A
Florida	3,837,000	1,539,000	789,000	1,227,000	88,000	193,000
Georgia	2,274,000	947,000	790,000	349,000	74,000	115,000
Hawai'i	278,000	36,000	N/A	53,000	66,000	120,000
Idaho	410,000	307,000	N/A	77,000	N/A	19,000
Illinois	2,543,000	1,238,000	410,000	682,000	106,000	107,000
Indiana	1,453,000	1,026,000	163,000	165,000	27,000	71,000
Iowa	669,000	520,000	31,000	69,000	16,000	33,000
Kansas	652,000	427,000	39,000	125,000	15,000	46,000
Kentucky	931,000	728,000	86,000	57,000	14,000	47,000
Louisiana	1,028,000	504,000	391,000	71,000	13,000	50,000
Maine	229,000	202,000	7,000	7,000	N/A	12,000
Maryland	1,125,000	434,000	373,000	188,000	57,000	73,000
Massachusetts	1,105,000	634,000	109,000	236,000	64,000	62,000
Michigan	1,970,000	1,301,000	328,000	168,000	53,000	119,000
Minnesota	1,126,000	764,000	115,000	103,000	62,000	82,000
Mississippi	677,000	324,000	295,000	29,000	6,000	23,000
Missouri	1,262,000	906,000	172,000	86,000	20,000	78,000
Montana	210,000	164,000	N/A	12,000	N/A	33,000
Nebraska	434,000	298,000	23,000	79,000	11,000	24,000
Nevada	634,000	213,000	63,000	270,000	35,000	53,000
New Hampshire	222,000	189,000	N/A	15,000	6,000	8,000
New Jersey	1,608,000	688,000	241,000	487,000	125,000	66,000
New Mexico	454,000	102,000	N/A	281,000	5,000	61,000
New York	3,564,000	1,600,000	583,000	954,000	266,000	161,000

APPENDIX TABLE 3

### Estimated Number of Children Under 18 Who Will Benefit from Child Tax Credit Expansion in American Rescue Plan Act, by State and by Race/Ethnicity

State	Total	White	Black	Latino	Asian	Another race or multiple races
North Carolina	2,088,000	1,049,000	487,000	354,000	56,000	142,000
North Dakota	157,000	122,000	N/A	8,000	N/A	20,000
Ohio	2,372,000	1,678,000	355,000	146,000	44,000	148,000
Oklahoma	895,000	465,000	72,000	157,000	15,000	185,000
Oregon	779,000	485,000	17,000	185,000	28,000	64,000
Pennsylvania	2,368,000	1,555,000	319,000	302,000	76,000	116,000
Rhode Island	185,000	103,000	14,000	50,000	6,000	12,000
South Carolina	1,025,000	543,000	318,000	96,000	14,000	54,000
South Dakota	197,000	141,000	6,000	11,000	N/A	37,000
Tennessee	1,394,000	895,000	274,000	136,000	24,000	66,000
Texas	6,696,000	1,947,000	804,000	3,486,000	243,000	216,000
Utah	860,000	630,000	10,000	156,000	13,000	50,000
Vermont	105,000	95,000	N/A	N/A	N/A	N/A
Virginia	1,591,000	822,000	336,000	230,000	84,000	119,000
Washington	1,437,000	795,000	59,000	332,000	86,000	165,000
West Virginia	346,000	307,000	13,000	8,000	N/A	17,000
Wisconsin	1,159,000	809,000	104,000	143,000	37,000	67,000
Wyoming	128,000	99,000	N/A	19,000	N/A	9,000

Notes: Figures are rounded to the nearest 1,000 and may not sum to totals due to rounding. N/A indicates reliable data are not available due to small sample size. Based on economy as of 2016-2018 using tax year 2020 tax rules and incomes adjusted for inflation to 2020 dollars. Racial and ethnic categories do not overlap. Figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race.

Source: Preliminary CBPP analysis of the March 2019 Current Population Survey (national estimate) allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

APPENDIX TABLE 4

**Estimated Number of Workers Without Children Who Will Benefit From EITC Expansion in American Rescue Plan Act, by State and by Race/Ethnicity**

State	Total	White	Black	Latino	Asian	Another race or multiple races
<b>Total U.S.</b>	<b>17,271,000</b>	<b>10,365,000</b>	<b>2,843,000</b>	<b>2,775,000</b>	<b>678,000</b>	<b>610,000</b>
Alabama	287,000	169,000	98,000	N/A	N/A	N/A
Alaska	41,000	22,000	N/A	N/A	N/A	12,000
Arizona	379,000	212,000	23,000	110,000	9,000	26,000
Arkansas	183,000	129,000	37,000	N/A	N/A	N/A
California	1,840,000	707,000	144,000	698,000	216,000	76,000
Colorado	298,000	212,000	15,000	54,000	7,000	10,000
Connecticut	154,000	94,000	22,000	28,000	N/A	N/A
Delaware	48,000	28,000	14,000	N/A	N/A	N/A
District of Columbia	33,000	9,000	18,000	N/A	N/A	N/A
Florida	1,303,000	674,000	228,000	345,000	25,000	30,000
Georgia	569,000	280,000	227,000	34,000	15,000	13,000
Hawai'i	69,000	18,000	N/A	7,000	21,000	21,000
Idaho	109,000	92,000	N/A	12,000	N/A	N/A
Illinois	616,000	373,000	121,000	85,000	24,000	13,000
Indiana	382,000	295,000	50,000	19,000	N/A	11,000
Iowa	181,000	159,000	9,000	N/A	N/A	N/A
Kansas	168,000	127,000	17,000	15,000	N/A	N/A
Kentucky	271,000	222,000	32,000	8,000	N/A	N/A
Louisiana	296,000	149,000	125,000	12,000	4,000	N/A
Maine	93,000	87,000	N/A	N/A	N/A	N/A
Maryland	255,000	124,000	89,000	21,000	13,000	7,000
Massachusetts	292,000	208,000	24,000	36,000	16,000	8,000
Michigan	600,000	437,000	105,000	28,000	12,000	19,000
Minnesota	288,000	228,000	22,000	14,000	11,000	13,000
Mississippi	176,000	85,000	82,000	N/A	N/A	N/A
Missouri	360,000	277,000	54,000	14,000	6,000	N/A
Montana	84,000	73,000	N/A	N/A	N/A	N/A
Nebraska	104,000	82,000	N/A	N/A	N/A	N/A
Nevada	168,000	84,000	21,000	41,000	13,000	10,000
New Hampshire	70,000	65,000	N/A	N/A	N/A	N/A

APPENDIX TABLE 4

### Estimated Number of Workers Without Children Who Will Benefit From EITC Expansion in American Rescue Plan Act, by State and by Race/Ethnicity

State	Total	White	Black	Latino	Asian	Another race or multiple races
New Jersey	354,000	179,000	69,000	75,000	22,000	9,000
New Mexico	134,000	53,000	N/A	61,000	N/A	14,000
New York	910,000	490,000	152,000	172,000	71,000	25,000
North Carolina	601,000	361,000	173,000	34,000	12,000	21,000
North Dakota	41,000	31,000	N/A	N/A	N/A	N/A
Ohio	691,000	512,000	126,000	25,000	10,000	19,000
Oklahoma	236,000	153,000	27,000	19,000	N/A	34,000
Oregon	263,000	207,000	N/A	28,000	9,000	13,000
Pennsylvania	697,000	514,000	98,000	53,000	17,000	14,000
Rhode Island	48,000	35,000	N/A	N/A	N/A	N/A
South Carolina	315,000	178,000	113,000	12,000	N/A	8,000
South Dakota	53,000	40,000	N/A	N/A	N/A	9,000
Tennessee	395,000	284,000	85,000	13,000	N/A	N/A
Texas	1,396,000	572,000	221,000	528,000	45,000	30,000
Utah	138,000	109,000	N/A	19,000	N/A	N/A
Vermont	40,000	37,000	N/A	N/A	N/A	N/A
Virginia	417,000	246,000	111,000	27,000	18,000	14,000
Washington	358,000	252,000	19,000	39,000	20,000	27,000
West Virginia	110,000	98,000	8,000	N/A	N/A	N/A
Wisconsin	320,000	260,000	30,000	15,000	N/A	10,000
Wyoming	38,000	33,000	N/A	N/A	N/A	N/A

Note: Figures are rounded to the nearest 1,000 and may not sum to totals due to rounding. N/A indicates reliable data are not available due to small sample size. Based on economy as of 2016-2018 adjusted for inflation. Workers without children counted as benefiting from the American Rescue Plan Act EITC expansion are those aged 19 and older (excluding full-time students 19-24). Subsequent to our analysis, the legislation revised both the EITC's limit on asset income (from no limit to a \$10,000 limit), which will slightly decrease the number of persons who obtain the credit, and the definition of excluded students (from full-time students under age 25 to students attending school at least part-time under age 24). Racial and ethnic categories do not overlap. Figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race.

Source: CBPP analysis of the March 2019 Current Population Survey (national estimate) allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.