

Congress Considering Cuts to Benefits Received by Soldiers

Study Finds 150,000 Military Eligible for Low-Income Credit

- A nation's security depends on the strength of their armed forces and America's military men and women are among the best in the world. They put their lives on the line to protect the values Americans hold dear: democracy, liberty, freedom of speech.
- Unfortunately, while our soldiers are serving on the front lines, many of their families are struggling to make ends meet. To make matters worse, Congress is currently debating the fiscal year 2006 budget and is considering cuts to the Earned Income Tax Credit (EITC), a tax credit for people with low or moderate incomes – including thousands and thousands in the military.
- At a minimum, more than **150,000 active duty military members and their families are eligible for the EITC**, according to a recent study by the Bell Policy Center. EITC eligibility is determined by yearly salary of family members and number of dependents. Cuts to the EITC would come directly from the pockets of our armed service members and their families.

EITC Military Examples

The Bell Policy study found that even men and women who have served in the military for multiple years are eligible for the EITC given their low salaries.

- A Marine corporal (E4) with four years experience receives \$21,769 in basic pay plus \$3,000 in special pay. With two children and a non-working spouse, the family would qualify for an EITC refund of \$2,250.
- A Navy chief petty officer (E7) with six years experience receives \$31,705 in basic pay and \$1,500 in special pay. With three children and a non-working spouse, the family would qualify for an EITC refund of \$470.

Full Study available at: www.thebell.org

- The budget resolution passed by the U.S. House of Representatives in March includes \$18.7 billion in cuts that are to be made to programs that help low-income working families, including the EITC. If Congress decides to take all \$18.7 billion in cuts from the EITC, it will in effect be raising taxes paid by working families by an average of nearly \$200 each - **a tax increase of \$300 million to military families nationwide.**
- There are currently approximately 140,000 U.S. military members serving in Iraq. Based on the Bell Policy estimate that 11.6 percent of military families are eligible for the EITC, 16,240 of the soldiers in Iraq could qualify for the EITC. These soldiers could also be the ones to receive fewer benefits if Congress enacts cuts.
- The EITC is one of the best programs for combating poverty and providing a higher quality of life for low-income working civilian and military families. As President Reagan once said, the EITC is "the best anti-poverty, the best pro-family, and the best job creation measure to come out of Congress." As a nation at war, it is important to make sacrifices on the homefront – but not at the expense of our brave men and women on the front lines.