

Dear Leader McConnell and Leader Schumer:

The economic havoc brought about by COVID-19 will have wide-ranging and long-lasting effects, especially on low-wage workers, children, and their families. CBO expects unemployment to rise to 16% and then hold at levels of 10% through the end of 2021. More aggressive policy steps must be taken to get the economy back on an acceptable path. To help address this, we urge you to include a temporary expansion of the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) in the next coronavirus legislative package, to take effect for tax year 2020.

COVID-19 has presented our nation with an unprecedented public health challenge. This Congress has taken several bipartisan steps to address it, along with the resulting economic effects we've already seen. However, additional measures are critical to confront and reverse ongoing economic paralysis. The EITC and the CTC are proven and effective tools to increase financial stability for workers and their families. Expanding them will provide much needed support to families and boost our economy as our nation recovers from COVID-19.

The EITC promotes work and provides a financial boost to low-wage workers and their families. However, gaps in EITC mean that millions of people are left out. Low-wage seniors over 64 and the youngest adult workers not raising children in the home are locked out entirely: their EITC benefit is zero. In all, five million workers without children are taxed into or deeper into poverty, receiving only a small EITC benefit. Across our country, we have seen the importance of people who do essential jobs but are paid too little. An expanded EITC would provide additional income to supplement their limited earnings. Among the people who would benefit the most from a robust childless adult EITC are cashiers,

health-aides, and truck drivers – workers on the front lines of coronavirus. We must fill the existing gaps and increase the size of the credit generally.

The CTC provides a \$2,000 credit to eligible families with children. Unfortunately, it currently leaves behind approximately 26 million children. That's because their families either qualify for no credit at all, or because they qualify for less than the full \$2,000. The time is now to fix these obvious flaws by making the CTC fully available to all children as a refundable credit. Doing so would provide the biggest boost to the poorest families, by simply providing them the same amount that more well-off families already receive. We should also increase the credit amount for kids under 6 years of age, to provide additional support to children and families at a time in life that is critical for cognitive development.

We must respond to this unprecedented challenge with policies that provide support to the workers and families who will be hit the hardest and affected the longest by this crisis. Doing so also serves as effective economic stimulus, delivering efficient results to American taxpayers. Our Working Families Tax Relief Act, legislation that we are all sponsoring this Congress, provides the model for making these critical improvements to the EITC and CTC. Working families are depending on us to meet this extraordinary moment by providing them with the support they need to weather the ongoing economic effects of COVID-19 in the years to come. We must deliver for them.

Sincerely,