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ADVOCATES APPLAUD PRITZKER INITIATIVE TO MAKE EARNED INCOME CREDIT MORE ACCESSIBLE TO LOW-INCOME ILLINOIS FAMILIES

22,000+ Illinois Households Eligible for Up to $1,157

CHICAGO, IL-- Last week, tens of thousands of the lowest income Illinoisans were put in a better financial position when Governor Pritzker and the Illinois Department of Revenue announced an outreach initiative to families who are eligible to receive income via the Earned Income Credit (EIC). The initiative will distribute information to over 22,000 families, both identifying their eligibility and instructing on how to claim their refund.

The State estimates that $10 million dollars have been unclaimed by Illinois filers. Nationally, around 22% of families do not process claims for EIC’s federal equivalent, the Earned Income Tax Credit (EITC). The EITC is one of the largest national antipoverty programs and is available to most workers who earn under $55,952. An additional credit, the State EIC is available to all families eligible for the federal EITC up to 18% of the EITC’s value, which amounts to up to $1,157 per household.

A nonpartisan coalition of nonprofit advocacy organizations and community leaders called the Illinois Cost of Living Refund Coalition has been advocating on behalf of Illinois families to both expand the Earned Income Credit and to make it easier for all those who qualify to receive it. The coalition’s leaders applaud the State’s outreach initiative:

“Too many Illinois households are too close to poverty. Policymakers must act decisively to attend urgent economic instability and to build a stronger, more resilient middle class,” said Harish I. Patel, Director of Economic Security for Illinois. “With this initiative, Governor Pritzker and the Illinois Department of Revenue are making a complicated tax structure more accessible through clear communication. We applaud this initiative; it’s good governance in a time of great need.”

“We know that the Earned Income Credit is a proven anti-poverty solution and a vital source of income that keeps Illinois families afloat. The EIC is a tax credit that targets relief to working families who need it most,” said Kim Drew, Legislative Advocacy Director at Heartland Alliance. “We have more work to do to ensure all Illinoisans, including immigrants, caregivers, and older adults, are able to receive the EIC. We hope that this is the first of many steps the State will take to strengthen the EIC so it reaches more Illinois families.”
“Even before the pandemic, the economic foundation holding up many Illinois households was crumbling. Since the pandemic started, money is even more scarce, particularly for families of color,” said Meegan Dugan Bassett, Chicago Fellow at New America. “To recover from the pandemic, families across the state will need support from our state leaders. Data shows that these types of earned income tax credits are one of the best poverty solutions out there. Plus, most families use them for basic needs, putting money back into the local economy. Making it easier for families to receive the EIC is a smart policy, and we applaud it.”

The coalition and its members urge all households earning less than $55,952 to check their eligibility for the federal EITC. Illinois residents with valid Social Security Numbers who are eligible for the federal EITC are also eligible for the state EIC and could receive thousands of dollars back. Both can be claimed using income tax returns or can be claimed for past years using an amended return, using forms found on the Internal Revenue Service and Illinois Department of Revenue websites.

The Illinois Cost of Living Refund Coalition is a coalition of unions, community organizations, and consumer protection groups that have joined together to advocate for the expansion of our state’s Earned Income Credit. Learn more about the coalition and its plan to expand EIC at www.economicsecurityil.org.