

Congress of the United States
Washington, DC 20515

May 14, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232, The Capitol Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol Building
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

As Congress negotiates the next economic recovery package in response to the novel coronavirus (COVID-19) pandemic, we urge you to include provisions of the *Worker Relief and Credit Reform (WRCR) Act (H.R. 5271)*, a bold modernization of the Earned Income Tax Credit (EITC). We must address the near-term impacts of the COVID-19 economic downturn but also the fundamental weaknesses in our economic system causing the largest burdens to fall on the low-income and middle class.

As states and localities begin to reopen, we expect that the economic rebound will be slow and uneven. American workers and their families deserve a resilient economic system that empowers them to withstand income shocks and a strong safety net to help them in times of need. Although the existing EITC supplements incomes of low-income parents and encourages work, it is not reflective of the modern economy and leaves too many individuals behind.

In November 2019, we introduced the WRCR Act to expand and modernize the EITC to put more money in the pockets of those who need it most. The WRCR Act would uplift low-income individuals and families and provide stability for the middle class. The bill increases the amount of the credit, particularly for childless adults who get little relief now. By phasing in the credit immediately, the bill will reach those who make too much to qualify but not nearly enough to afford the skyrocketing costs of living. It would also improve the EITC to reach more people by expanding the age range and updating the definition of work.

Specifically, the WRCR Act decreases the eligibility age for workers without children from 25 years old to 18 years old and removes the eligibility upper-age limit of 65 years. As more seniors are working later in life, either by choice or because of a lack of retirement security, they should be eligible for the same support as younger workers. Additionally, the bill does not penalize high-school graduates for going directly into the labor force at 18. Low-income college students would also qualify for the maximum credit, recognizing their engagement in work-like activities that benefit society.

The pandemic demonstrates how caregivers serve as frontline and essential workers, filling the gaps in our health care system. Even before this crisis, around 43.5 million Americans worked as unpaid caregivers to their children, aging parents or adult family members with a disability. The WRCR Act updates the definition of work to recognize the uncompensated care these individuals provide, which is estimated at \$500 billion annually.

Finally, this crisis underscores the need for reoccurring income support. With the WRCR Act, recipients could receive 75 percent of their estimated credit on a monthly basis rather than as a lump sum with their annual IRS refunds. By doing so, individuals can meet daily expenses and stabilize finances without relying on predatory lenders.

Since March 15, more than 30 million Americans have filed claims for unemployment benefits, offering a glimpse into the devastating and profound fallout of the pandemic. Prior to the health and economic crisis, far too many Americans lived in poverty or were one unexpected bill away. If included in the next relief package, the WRCR Act will transform the EITC into a robust and responsive program to help those most in need. At the time of the bill's introduction, the Institute on Taxation and Economic Policy estimated 161 million Americans would benefit from this expanded tax credit, including over 54 million children.

Working people are the backbone of this country and are looking to the government to address underlying challenges in our communities. The WRCR Act will boldly build on the EITC to address poverty head on and reduce financial instability. It is more important than ever that Congress enact policies to create a resilient economy that benefits workers, families, and their communities.

Thank you for your continued efforts to support people in need. We appreciate your consideration of this request and look forward to working with you on this important issue.

Sincerely,



Gwen Moore
Member of Congress



Marcia L. Fudge
Member of Congress

Sent on behalf of the following signatories:

Wm. Lacy Clay
Member of Congress

Ro Khanna
Member of Congress

Brenda L. Lawrence
Member of Congress

Eleanor Holmes Norton
Member of Congress

Jan Schakowsky
Member of Congress

Rashida Tlaib
Member of Congress

Bonnie Watson Coleman
Member of Congress

cc: The Honorable Steny H. Hoyer
The Honorable Richard Neal
The Honorable Kevin Brady