

TAX CUT FOR WORKERS ACT

Reps. Dwight Evans (PA-03) and Ro Khanna (CA-17)

Roughly [six million American workers](#) with incomes or just above the federal poverty line are not eligible for an Earned Income Tax Credit (EITC) large enough to offset their payroll taxes or federal income tax liability. Under current law, only adults between ages 25 and 64 can claim the “childless EITC,” which phases in at 7.65 percent for earnings up to \$8,260 and quickly phases out shortly after, with a maximum credit that was only \$632 in 2024. Single filers earning more than \$18,600 and married filers earning more than \$25,500 are not eligible for the EITC. As a result, too many hardworking Americans either do not receive any EITC benefit or receive an amount that is far too small.

The *American Rescue Plan Act* of 2021 made several critical expansions of the EITC, including nearly tripling the maximum EITC benefit for workers without children from roughly \$540 to roughly \$1,500 and raising the income limit from about \$16,000 to \$21,000 for single filers and from about \$22,000 to \$27,000 for married filers. It also made individuals aged 19 to 24 and 65 and older newly eligible for the credit. While the American Rescue Plan’s EITC provisions expired the end of 2021, they had a [significant impact](#), increasing disposable income among America’s working families.

The Tax Cut for Workers Act would make permanent the American Rescue Plan’s expansions of the EITC, continuing one of the largest-ever tax cuts for the middle class.

Specifically, the *Tax Cut for Workers Act* would:

- Virtually triple the maximum value of the EITC for so-called “childless workers” – workers not raising children in their home who are currently taxed into or further into poverty.
- Extend the credit to both younger and older workers who are currently ineligible for the credit because of their age.
- Make the credit more accessible for adults aging out of the foster youth system.

According to [the Center on Budget and Policy Priorities](#), approximately 14 million Americans would have benefitted from a permanently expanded EITC in 2024, including as many as 550,000 workers in Pennsylvania. An estimated 4.0 million young adults aged 19 to 24 and 1.5 million people aged 65 and older would have been newly eligible for the credit.

A childless single filer with an income just above \$16,800 was eligible for an EITC benefit worth just \$137 in 2024. However, had permanent expansions of the EITC been in place, that same filer would have received an EITC worth \$1,246. This is the difference between being \$891 below the poverty line or \$218 above the poverty line.