

## **United Community Services** of Johnson County

Senate Committee on Assessment and Taxation

Testimony SB 339
presented by
United Community Services of Johnson County
February 14, 2012

United Community Services is a 45 year old nonprofit agency focused on improving the quality of life through human service strategies. One proven effective strategy is the **Earned Income Tax Credit** and we believe that this poverty fighting strategy **should remain a part of the Kansas tax code**.

The Kansas Earned Income Tax Credit (EITC) benefits working families in every legislative district in the state; even every district in Johnson County. An analysis of 2008 IRS data found that one in seven tax filers statewide claimed the EITC. These tax filers are all U.S. citizens who receive a paycheck and have payroll taxes withheld, but earn low wages.

The EITC is a tax credit that accomplishes what was intended – boosting incomes, encouraging work, and offsetting state and local income, sales and property taxes for low wage earners. And, this tax credit targets those who most benefit from tax savings -- nearly one in two filers had adjusted gross income of less than \$15,000 and seven in ten had adjusted gross income less than \$25,000. These are the residents of our state whom can least afford to pay more in taxes. And, of these taxpayers, few are eligible for "safety net" services delivered by the state or provided in local communities.

If reducing childhood poverty is something that our state is serious about, research has shown that the Earned Income Tax Credit is one of the most effective and efficient tools available.

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