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echoing a key proposal from the White House.

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A push to boost tax credits for the working poor could see success in states this year, echoing a key proposal from the White House.

In the opening days of 2014 legislative sessions, bills that would expand or create the Earned Income Tax Credit have been introduced in nine states, according to the National Conference of State Legislatures. Four of those states are looking to create new state versions of the credit. These moves would build off the federal credit of the same name that President Barack Obama proposed to expand in his State of the Union speech last month.

Governors on both sides of the aisle have also backed the idea, thanks in part to newly flush budgets and an eye toward aiding their economies by boosting workers' incomes. Democrats Pat Quinn of Illinois and Steve Beshear of Kentucky have proposed expanding or creating their own versions of the EITC, as the credit is known. And Republican Gov. Rick Snyder of Michigan proposed restoring his state's credit that was rolled back three years ago.

"States see this as a good policy," said Erica Williams of the left-leaning Center on Budget and Policy Priorities. "As they're kind of coming out of the lows of the recession and revenues start to come back, they're looking for ways that they can reinvest."

The EITC is a federal tax credit that offsets payroll and income taxes for low-income workers, mostly parents. Households with children and annual incomes below \$37,900 to \$51,600 in the most recent tax year are eligible. People without children who have incomes below about \$14,300 (\$19,700 if married) are eligible for a smaller

credit. The White House and some in Congress have proposed expanding the credit to

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state, according to the most recent IRS figures, but in some larger and poorer states the amount was much larger. Mississippi, Georgia and Texas were among the highest in average payment per taxpayer. According to a Brookings Institution analysis, in recent years in those three states alone almost 1.2 million people were kept out of poverty because of the credit.

To see which states benefit most from the federal EITC, including estimates of how many have been kept out of poverty by the credit in each state, see Stateline's data visualization.

The EITC's history of bipartisan backing in Congress and the states has opened the door for spurts of expansion at both levels. Democrats often see it as a supplement to other safety net programs, while Republicans favor it as a work-oriented welfare program.

Supporters hope 2014 will be the next chapter of the pro-EITC trend in the states, no matter the fate of any further federal boost in Congress.

States over the years have moved to piggyback on the federal tax credit, allowing taxpayers to claim at least some of the federal credit on state income tax bills. In effect, the states allow their taxpayers to claim a percentage of the federal credit on their state income tax bills, reducing the amount they owe. Rhode Island was the first in 1986. Now 25 states and the District of Columbia offer their own credit, including Republican-controlled Ohio, which created its own version just last year.

But the policy hasn't been universally embraced, and similar strains of opposition that could hinder the White House's proposal in Congress have emerged in some states.

Opponents criticize the high price tag of the EITC, which would cost states anywhere from \$4 million to \$1.3 billion in fiscal year 2015, depending on the size of the state

and the level of credit offered, according to one estimate. New Jersey Republican Gov.

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Fraud worries spurred lawmakers in North Carolina to reduce its tax credit last year and to allow it to expire entirely starting this year. Any negative effect on workers was outweighed by fraud concerns raised by the state's Department of Revenue, said Republican Rep. Julia Howard, a senior member on the Appropriations and Finance committees.

“For every good program there's people that need it and people that it helps,” Howard said. “But sometimes, you have to go back and look at programs and see if they're doing what you want them to do.”

Some conservative critics also point to the dwindling tax liability among all American taxpayers, to which the EITC contributes. They cite statistics showing that about half of all Americans pay no federal income taxes, even though those arguments fail to take into account other state and federal taxes.

Still, the tax credit has mostly gained enough bipartisan favor to expand over the years. States see it as a low-hassle initiative, one that mostly requires only a change in the tax code and a line-item on tax filing forms. It's also credited as an incentive to work, especially when compared to other safety net programs that remove recipients from the rolls if they earn too much.

“As you work more, your credit increases in size, so it's essentially paying you more to work, as opposed to a traditional welfare program,” said Kyle Pomerleau, an economist at the Tax Foundation, an anti-tax think tank. “It gives you more money the more you work.”

With that in mind, states have moved to increase the percentage of the credit their own taxpayers can claim at the state level, as four did last year. Expansion bills have been introduced so far in five states this year, according to NCSL.

Other states are taking steps to ensure that eligible tax filers actually collect the credit

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since the Great Depression, states really maintained support for these credits.”

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