

Table 25: State & Local Earned Income Tax Credits as of January 1, 2008

State	Maximum Percentage of Federal Credit or Approximate Equivalent	Link to Federal Structure	Refundable for Residents	Eligibility for Workers Without Children
State EITCs				
Colorado (1)	10.00%	Credit	Yes	Yes
Delaware	20.00%	Credit	No	Yes
Illinois	5.00%	Credit	Yes	Yes
Indiana (2)	6.00%	Credit	Yes	Yes
Iowa	7.00%	Credit	Yes	Yes
Kansas	17.00%	Credit	Yes	Yes
Louisiana (3)	3.50%	Credit	Yes	Yes
Maine	5.00%	Credit	No	Yes
Maryland (4)	50.00%	Credit	No	Yes
Massachusetts	15.00%	Credit	Yes	Yes
Michigan (5)	10.00%	Credit	Yes	Yes
Minnesota (6)	45.00%	NA	Yes	Yes
Nebraska	10.00%	Credit	Yes	Yes
New Jersey (7)	22.50%	Credit	Yes	Yes
New Mexico	8.00%	Credit	Yes	Yes
New York	30.00%	Credit	Yes	Yes
North Carolina (8)	3.50%	Credit	Yes	Yes
Oklahoma	5.00%	Credit	Yes	Yes
Oregon	6.00%	Credit	Yes	Yes
Rhode Island (9)	25.00%	Credit	Partially	Yes
Vermont	32.00%	Credit	Yes	Yes
Virginia	20.00%	Credit	No	Yes
Washington (10)	5.00%	Credit	N/A	Yes
Wisconsin (11)	43.00%	Credit	Yes	No
Local EITCs				
District of Columbia	40.00%	Credit	Yes	Yes
Montgomery County, Maryland (12)	20.00%	Credit	Yes	No
New York City	5.00%	Credit	Yes	Yes

Notes:

N/A Not applicable.

- (1) Credit is only available if state revenues exceed constitutional spending limitations. The State will not offer the credit for tax years 2002-2010.
- (2) The credit is scheduled to increase to 9% of the Federal credit in tax year 2009.
- (3) The credit is first effective in tax year 2008.
- (4) Taxpayers with one or more dependents may claim a refundable credit equal to 25% of the Federal credit.
- (5) The credit is first effective in tax year 2008. In 2009 and subsequent years the credit will increase to 20% of the Federal credit.
- (6) Credit is not based on the federal credit, but on earned income at various rates for each filing status.
- (7) The credit is scheduled to increase to 25% of the Federal credit in tax year 2009.
- (8) The credit is scheduled to increase to 5% of the Federal credit in tax year 2009.
- (9) 15% of the unused credit is refundable to taxpayers.
- (10) The credit is scheduled to increase to 10% of the Federal credit in tax year 2010. As Washington has no personal income tax the credit is paid as a sales tax rebate.
- (11) The percentage of the Federal credit allowed varies by number of children - 4% (one child), 14% (two children, and 43% (three or more children).
- (12) The credit is equal to 20% of the Federal credit.

Source: Office of Tax Policy Analysis compilation from various sources, including CCH State Tax Guide and Levitis, J. and J. Koulisch (2008, June). "State Earned Income Tax Credits: 2008 Legislative Update" (Washington, D.C.: Center for Budget and Policy Priorities).