



**United Way  
of New York State**

## **Memo in Support**

**A10775 Rules (Fahy)  
S8670 Kaplan**

*AN ACT to amend the tax law, in relation to providing for the advance payment of the earned income tax credit*

United Way of New York State strongly supports A10775/S8670 which would significantly raise the maximum income thresholds for the Earned Income Tax Credit and provide critical relief to thousands of working New Yorkers and their families.

United Way is a leader in understanding community challenges and raising resources to address those challenges. Our goal is to help individuals and families achieve and maintain independence and expanding and strengthening tax credits is one important means of building financial stability and economic mobility. While New York has in place an important Earned Income Tax Credit (EITC), this credit needs to be strengthened to give workers and families immediate, real relief, especially amid the current COVID-19 pandemic.

To better understand challenges faced by individuals and families across the state, UWNYS and numerous local United Ways undertook a statewide study of the ALICE (Asset Limited, Income Constrained, Employed) population in NYS. ALICE identifies those individuals and families who are working but do not have sufficient income to pay for the basic necessities of housing, food, childcare, health care, technology and transportation. The most recent ALICE Report released in 2020, based on 2018 data, places 31% of households in NYS in the ALICE category. When added to the 14% of households in poverty, 45% of all households in NYS are facing financial hardships and are one crisis away from financial disaster. The COVID-19 crisis is revealing how exposed ALICE households — and therefore our communities and businesses — are to an emergency. Therefore, it is critical that New York State uses every tool in our toolbox to help these populations, and expanding the EITC as proposed in this bill would be an essential first step.

For these reasons, we encourage the Legislature to pass A10775/S8670. For more information, please contact Brenda Episcopo, President and CEO, [episcopob@wnys.org](mailto:episcopob@wnys.org).