



February 25, 2021

Dear Legislator,

We, the undersigned organizations, are writing to urge you to expand the state Earned Income Tax Credit (EITC) and fully fund the state Child Tax Credit as part of the 2021 legislative session. These tools have proven to put money in the hands of families who need them and reduce poverty and increase economic opportunity. Even before the COVID-induced economic downturn, too many Colorado families were struggling, and now the problems have become even more pronounced. The General Assembly has an opportunity to help those who need it most this coming session.

Currently, the state EITC gives eligible Colorado families 10% of the federal credit, while the state Child Tax Credit — in statute since 2013 for families with children under 6 — has never been funded in Colorado. The General Assembly should increase the amount and eligibility of the EITC and finally fund the state Child Tax Credit. Doing both would reach families making up to \$85,000 annually, but would also help all Coloradans, including communities of color, without regard to immigration status. Furthermore, economic research shows this money would circulate back into the broader economy and help our state recover more quickly.

This can be done at minimal cost to the state by closing special interest and corporate tax loopholes. The state auditor has identified many tax expenditures that fail to meet their intended purpose, are bigger in Colorado than in other states, are not broadly beneficial, or don't grow the economy or create jobs. Beyond these issues, corporations and individuals are the main beneficiaries of these outdated loopholes. The legislature should also look at changes at the federal level that have automatically become part of Colorado's tax code, as well as modernize our sales tax exemptions and bring them into the 21st century. Using tax loopholes as the funding mechanism will also provide a long-term funding source, allowing tax relief for Colorado families to continue into the future.

For too long, the legislature has not done the hard work of reviewing our tax code to see what is working and what isn't, while making cuts to the budget that affect millions of Coloradans. Now is the time to make clear the choice in front of the General Assembly: Do we give hundreds of millions of dollars of our tax dollars to corporations, the already wealthy, and special interests, or do we stand up for struggling Colorado families through tax credits and adequately fund important budget programs?

The legislature has the means and the opportunity to act, and as he said in his State of the State speech, Gov. Polis has already embraced this option to help Colorado families. We urge you to join him and seize this moment to show the legislature stands with hardworking Coloradans. Increase the Earned Income Tax Credit, fund the Child Tax Credit, and help those who need it most.

Thank you for your attention to this pressing issue and we look forward to working with you to help millions of Colorado families.

Sincerely,

9to5 Colorado

AFL-CIO Colorado

AFT Colorado

The Bell Policy Center

Centennial State Prosperity

Clayton Early Learning

COLOR

Colorado Center on Law and Policy

Colorado Children's Campaign

Colorado Education Association

Colorado Fiscal Institute

Colorado People's Alliance

Colorado Statewide Parent Coalition

Colorado WINS

Energy Outreach Colorado

Illuminate Colorado

Lutheran Advocacy Ministries - Colorado

Metro Caring

NAACP CO-MT-WY State Conference

Parent Possible

ProgressNow Colorado

SEIU Colorado

Spring Institute for Intercultural Learning

Together Colorado

United for a New Economy

The Women's Foundation of Colorado

The Women's Lobby of Colorado

Working Families Party