



## **Kasich signs tax credit for low-income workers**

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By Chrissie Thompson

GROVE CITY – Gov. John Kasich on Monday signed a budget-update bill that includes two increased tax breaks for low-income Ohioans – tax breaks that have divided some poverty advocates.

Leaders of groups that serve the poor had advocated for bigger tax breaks than the ones in the bill, after the Republican-led Legislature lowered the tax breaks requested by Kasich.

But complaining about the size of tax breaks is like finding the keys to a Corvette in your birthday box and complaining it's the wrong color, said Philip Cole, executive director of the Ohio Association of Community Action Agencies.

Advocates for the poor had been lobbying for an earned income tax credit for low-income Ohioans since the 1980s, he said.

The Legislature created one in Ohio last year; the budget update signed Monday by Kasich expands it starting this year.

“The other governors from both parties couldn't get this done. ... It took Governor Kasich,” Cole said Monday at a bill-signing event at a food bank. “Now, I'd like to see it expanded further. I'm happy with this Corvette. (But) we may try next year to get a better color.”

The budget bill increases the earned income tax credit from 5 percent of the federal credit to 10 percent. About 475,000 Ohioans qualify for the credit, which is only for Ohioans who are working and earning enough to pay any income taxes. Like the federal credit, it varies based on income level and number of children, maxing out at a married couple with three or more children that earns \$52,427.

The average Ohioan receiving the EITC saved \$141 last year.

Low- and middle-income Ohioans will also receive larger personal tax exemptions under the bill. All Ohioans receive an exemption on \$1,700 of their income. Starting this year, Ohioans who earn less than \$40,000 a year will have a \$2,200 exemption. Those who earn \$40,000 to \$80,000 will receive a \$1,950 exemption.

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