

April 3, 2019

Assemblymember Autumn Burke
Chair, Assembly Revenue and Taxation Committee
California State Capitol Office 5150
Sacramento, CA

RE: AB 1593 (Reyes) EITC Immigrant Equity Act
AAPCA Position: Support

Dear Chair Burke,

The American Academy of Pediatrics, California, which represents over 5,000 board-certified pediatricians in the state, is proud to support AB 1593 (Reyes). This bill extends eligibility for the existing California Earned Income Tax Credit (CalEITC) to some of the most vulnerable working Californians, including all working Californians who file taxes and are income-eligible.

Researchers cite the federal EITC as among the most effective tools for reducing poverty across the nation. Although widely thought of as a success, the federal EITC does not reach all low-income households. In response to a continued need to support the working poor, the California Legislature in 2015 enacted CalEITC, which provides a tax credit to working adult households with incomes up to \$24,950 per year and allows eligible families with children to receive a credit of up to \$2,879.

The CalEITC helps mitigate California's high cost of living for people who live in poverty, including many parents and their children.

By reducing poverty, the EITC and CalEITC have a meaningful impact on the health of children and young people. According to the Centers for Disease Control, the EITC lifted 5.7 million people out of poverty nationally in 2017, including about 3 million children. Studies have linked increases in EITC benefits to reductions in infant mortality rates and better maternal health outcomes, as well as improved academic test scores for low-income children.

While the enactment of CalEITC was critical, its benefits have not reached some of the poorest communities in California. These include immigrant communities who are excluded from federal EITC as well as CalEITC if they use an Individual Taxpayer Identification Number (ITIN) to file their taxes; individuals with an ITIN but no social

security number cannot access a critical tool to help them and their children make their way out of poverty.

Fortunately, the rules regarding ITIN recipients participating in *state-level* EITCs are nonbinding, and California has an opportunity to improve the state's design for a more equitable and inclusive policy. Between 230,000-460,000 households would stand to benefit from inclusion in this successful program, including up to 1.1 million workers and their children.

Pediatricians across the state respectfully urge your AYE vote on AB1593 (Reyes). Thank you for your public service and leadership on behalf of the health and wellbeing of the children, youth, and families of California

Sincerely,



Kris Calvin
Chief Executive Officer, American Academy of Pediatrics, California

cc: AAP-CA leadership, Weston Tountas AAP-CA Legislative Writer & Policy Analyst