

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Statement by Secretary Paulson on EITC Awareness Day**

1/31/2008

Washington, DC-- Good morning and welcome. Thanks to all for joining us today as we highlight a valuable, but often overlooked, tax credit that is specifically designed to help working Americans.

The Earned Income Tax Credit, the EITC, was created over thirty years ago as an incentive for working Americans, for the men and women who hold one, sometimes two or three, jobs to make ends meet and to create better lives for themselves and their families. They understand as well as any that hard work brings reward.

By allowing lower-income people to keep more of their own money, EITC helps Americans create doors of opportunity and step through them to higher standards of living.

In 2006, over 22 million taxpayers received almost \$44 billion through the EITC, yet the IRS estimates that between 20 and 25 percent of taxpayers who are eligible don't claim the credit. Qualifying taxpayers can claim up to \$4,700 dollars, depending on their income and the size of their family, on their 2007 returns. That's money to pay bills and rent, to buy gasoline, books, and clothes; money that can provide a real benefit this spring.

As our economy has begun to slow down, we know that the impact often falls hardest on those struggling to make ends meet. We are working with Congress to quickly enact balanced, bipartisan legislation that will provide immediate rebate payments for working families and incentives for businesses to invest and hire. This boost to our economy will benefit low income taxpayers, this year, and is in addition to the EITC.

The House has passed legislation that is simple, broad-based and temporary. If enacted soon, it will inject money into our economy quickly. The Senate has begun its legislative process as well, and I am concerned that as they add provisions to their bill, there is a real risk that the process will bog down and slow our efforts to get money into the economy.

With timely action, the House economic growth bill would help create more than half a million jobs by the end of 2008. That means even more opportunities for hard-working Americans.

Ensuring that more eligible families receive their EITC is important this year, as it is every year. I encourage people all across America to check to see if you are eligible for the Earned Income Tax Credit. Treasurer Anna Cabral and Acting IRS Commissioner Linda Stiff will provide details on where to get more information.

I also encourage tax professionals, particularly those providing community-based services, to look carefully at eligibility, so that all those who can benefit from the Earned Income Tax Credit, do. When something this simple is so effective, we need to make sure those who can gain this advantage, do.

Thanks to the IRS and all those around the country who are educating people about the Earned Income Tax Credit. You can, and are, helping millions of Americans to help themselves into better lives.

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