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Press Contact:
Scott Downes 303-621-5595

House Finance Committee Rejects H.B. 1362 **Tax relief for 264,000 Colorado households, economic boost passed over**

Denver, CO—Following more than three hours of spirited debate last night, H.B. 1362 failed in the House Finance Committee by a vote of 4-7. The bill would have restored the state Earned Income Tax Credit (EITC) for two years, providing much needed tax relief to 264,000 low-income working Colorado households and pumping \$52 million a year into local economies.

“While we obviously wish the vote had gone differently, we are definitely pleased with the progress on this important policy,” said **Rep. John Kefalas, the bill’s primary sponsor**. “We highlighted the strong support for restoring the EITC and the need to help low-income working families. We’ll continue working through the funding issues in the future so we can provide this relief to Colorado families.”

“The House Finance Committee’s rejection of H.B. 1362 was a missed opportunity to make our tax system fairer, to reward work, and to implement effective short- and long-term economic policy,” said **Chaer Robert, Board Member of the Women’s Lobby of Colorado**.

The main contention over the bill was the funding mechanism, as most of the House Finance Committee and nearly all of the witnesses testifying, which included advocates, counties, and state officials, agreed that restoring the EITC was good policy. Counties have accumulated reserves over time, to the tune of \$136 million, plus another \$31 million in state reserves. This would have been more than enough to fund the state EITC for two years, without impairing current county programs.

“A state EITC is good, effective policy,” said **Kathy White, Project Director for the Colorado Fiscal Policy Institute**. “The disagreement over this legislation was not about the merits of EITC, but rather how it should be funded. Because of that, we hope that the state EITC becomes part of long-term economic policy in Colorado, and we will continue working toward that goal.”

“Likewise, we hope the counties fulfill their commitment to spend these reserves on helping low-income families in Colorado, and look forward to holding them accountable in that endeavor,” added **Maureen Farrell, Executive Director of the Colorado Center on Law and Policy**.

“Restoring the state EITC is the fastest, smartest, and most efficient way to help low-income families,” said **Jessie Ulibarri, Director of the Colorado Progressive Coalition’s Campaign for Economic Justice**. “There is no bureaucracy attached to the EITC: no additional administrative costs, no complicated forms and applications, no waiting in lines, just a tax return to fill out.”

“From personal experience, I know that restoring the state Earned Income Tax Credit is a win-win for local economies and for those who struggle to make ends meet,” said **LaTerrell B., a former EITC recipient and Board Member of the Colorado chapter of 9to5 National Association of Working Women**. “At a time when my job was difficult and my wages were low, I qualified for the federal EITC. It went right from my hands into my community; to pay for basic needs like food, rent and quality child care.”

The EITC Coalition applauds Rep. John Kefalas and Sen. Betty Boyd, as well as supporting members of House Finance Committee, for their courage and fortitude in this debate, as well as the work of nearly 50 different organizations from the broad coalition supporting this effort.

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Interviews with EITC recipients can be scheduled by contacting 9to5 National Association of Working Woman at 303-628-0925 (or 1-800-522-0925 outside metro Denver).

The EITC Coalition includes the Piton Foundation, Colorado Fiscal Policy Institute, the Colorado Center on Law and Policy, the Denver Women’s Commission, Colorado Working Women 9 to 5, The Colorado Progressive Coalition, The Women’s Lobby of Colorado, The Bell Policy Center, Project Self-Sufficiency, ACORN and numerous others.