

# Increasing the Working Families Tax Credit Is Good for New Mexico!

## A Proven Policy

- New Mexico's **Working Families Tax Credit (WFTC)** is good for the economy—refunds are spent quickly and locally
- The WFTC increases the incentive to work—WFTC families work more and earn more
- The WFTC helps families pay for transportation and for healthier food
- Kids in WFTC families are healthier, do better and go further in school, and have higher college enrollment rates

New Mexico's WFTC works in tandem with the federal Earned Income Tax Credit (EITC), which is the nation's most successful anti-poverty program for children and families. The EITC and WFTC have always enjoyed bipartisan support.

The EITC and WFTC can only be claimed by people who earn income through work and pay taxes. The credits are mostly temporary supports, and three out of five recipients claim the credit for only one or two years.

The WFTC is a good way to help families experiencing temporary job loss, reduced work hours, or cuts in pay. Research shows that recipients use the credits to buy healthier food and to make big car repairs that help them remain reliable workers.

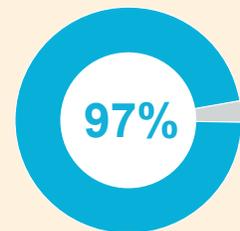
## Persistent Poverty

In 2012, the federal EITC returned nearly \$500 million and the WFTC returned nearly \$50 million to New Mexico's working families, benefiting 300,000 of our children! Even so, New Mexico has the second highest rate of poverty and child poverty in the nation. Our working families need more help!

**Proposed legislation would increase the value of the WFTC from 10% of the federal EITC to 15% over two years.**

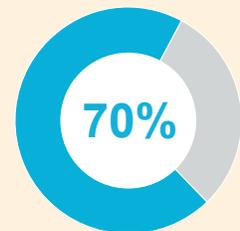
## Who benefits from the WFTC?

**97% of the value of the credit goes to working families with children**



**3 out of every 5 New Mexico children benefit from the WFTC**

**70% of claimants are racial/ethnic minorities**



**Businesses benefit as the refunds are spent quickly and locally**

**Please Support Legislation to Increase the Working Families Tax Credit to 15% of the EITC**