



District of Columbia Earned Income Tax Credit

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DC and the EITC

- The DC EITC has been coupled to the federal EITC since it began in 2001, when it was equal to 10% of the federal EITC.

Year	% of Federal EITC
2001	10%
2002	25%
2006	35%
2009	40%

- The current DC EITC amount for taxpayers with qualifying children has remained at 40% since 2009. **However, the DC EITC has been significantly expanded and is scheduled to expand further in 2022.**

EITC– With a Qualifying child

The District's EITC for taxpayers with qualifying children is based on the federal EITC and allows taxpayers to claim a DC EITC equal to 40% of their federal credit.

The rules for qualification established in the Internal Revenue Code apply to the eligibility for the DC EITC.

DC can independently audit and deny the credit.

What DC Does Differently

In 2014, the DC Council acted to expand the DC EITC to include workers without children in the home in accordance with the findings of the DC Tax Revision Commission.

The expansion of the EITC in the District supplements the existing EITC available for those taxpayers without qualifying children in the home and even to some taxpayers completely ineligible for the federal EITC.

DC EITC:
No
Qualifying
Child

Childless Worker EITC

DC Non-Custodial Parent EITC



Did it make a difference?

In the year following the expansion, more than 10,000 additional workers claimed the DC EITC than in the previous year.

In 2015, there was a 26.8% increase in total DC EITC claims.

Upcoming Changes to the DC EITC

- Over the past several months, DC Council has moved to further expand the EITC in the District.
- The Council approved raising taxes on high-income earners to fund changes in the EITC.
- DC EITC for taxpayers with qualifying children increased from 40% of federal EITC to:
 - TY 2022-2024: 70% of federal EITC
 - TY 2025: 85% of federal EITC
 - TY 2026 and beyond: 100% of federal EITC
- DC EITC will be paid out as follows:
 - TY 2022: 40% of DC EITC refund for taxpayers with qualifying children will be paid in a lump sum and if the remainder is \$600 or more, the remainder to be paid out in 11 monthly installments. (No change to childless worker refund payout).
 - TY 2023 and beyond: All DC EITC refunds (with qualifying children and childless workers) over \$1,200 will be paid out in 12 equal monthly installments.