

# IDAHO WORKING FAMILIES AGENDA

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## TAX CREDITS FOR WORKING IDAHO FAMILIES

A tax structure should lift up working Idaho families and build a thriving middle class. It should never tax working families into financial hardship. For decades, Idaho’s lopsided tax policies have benefitted profitable corporations and only the highest earners, while doing nothing for regular Idahoans.

The Idaho Working Families Agenda delivers tax credits for working Idahoans by:

**Increasing the child tax credit to \$250 and allowing every family — not just the highest earners — to access the full credit**

**Creating a sliding-scale tax credit for working Idahoans, putting hundreds of dollars into the pockets of families <sup>1</sup>**

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## LOWER PROPERTY TAXES FOR HOMEOWNERS AND SENIORS

Property taxes pay for emergency response, law enforcement, schools, and other vital services on which communities rely. For years, Idaho’s homeowner exemption rose with housing costs. This protected homeowners from steep increases in their property tax bills and helped maintain a fair balance of the tax load between homes and other types of real estate. Republicans in the Legislature put a cap on this exemption in 2016. As the last several years have shown us, the resulting tax shift onto homeowners is unsustainable. Additionally, the Legislature has failed to update the property tax assistance program for seniors, veterans, and Idahoans with disabilities since 2006.

The Idaho Working Families Agenda returns balance to our property tax system by:

**Increasing the homeowner’s exemption and reinstating an annual adjustment so it increases with local housing costs**

**Doubling property tax assistance by increasing the amount of assistance and making more Idahoans eligible**

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## INVESTMENT IN OUR CHILDREN, OUR FUTURE

Our investment in our children today determines the strength of our economy and our community tomorrow. Sadly, Idaho ranks 50th in the nation for education investment and the Governor’s budget does nothing to change that. This stifles our children’s potential. Idaho’s own education experts have long recommended optional full-day kindergarten to improve literacy and other educational outcomes. Students are also falling behind because of the challenges of COVID-19. Schools need to be able to add instructional hours, tutors, reading specialists, summer learning programs and other strategies to address learning loss.

The Idaho Working Families Agenda will boost education investment by:

**Providing funding for optional full-day kindergarten for *every* school district**

**Providing schools with one-time funding for additional instruction to help students catch up to grade level**

<sup>1</sup> For example, a family of four with an adjusted gross income of \$40,000 would receive \$566. The credit would be equivalent to 20% of the federal earned income tax credit.

# COST BREAKDOWN













The Idaho Working Families Agenda is fiscally responsible and sustainable, leveraging the Idaho Tax Relief Fund. It achieves two goals:

**Building a thriving middle class by boosting working families**

**Providing much-needed funds for our schools and kids**

<b>Components of the Idaho Working Families Agenda</b>	<b>Ongoing Cost to the General Fund</b>	<b>One-time Cost</b>
Increasing the child tax credit and making it fully available to all Idaho families	\$45 million	
Creating a sliding-scale tax credit for working Idahoans	\$58 million	
Increasing the homeowner’s exemption and pegging it to housing costs	No cost	
Doubling the scale of the property tax assistance program	\$18 million	
Offering the option of full-day kindergarten in <i>every</i> district	\$63 million	
Providing schools with one-time funding for additional instruction to help students catch up to grade level		\$160 million
<b>Total Investment in Idaho’s Families</b>	<b>\$184 million</b>	<b>\$160 million</b>

# COMPARISON

<p><b>Idaho Working Families Agenda</b></p>	<p><b>House GOP Tax Plan (HB 199)</b></p>
<p> Provides tax benefits to working Idaho families and children</p>	<p> Provides giveaways to the highest income households and large profitable corporations</p>
<p> Increases property tax assistance and the homeowner's exemption to lower property tax bills</p>	<p> Does nothing to help Idahoans struggling with property taxes and actually increases property taxes by cutting funds for local governments</p>
<p> Does not raise taxes for any Idaho households</p>	<p> Raises overall taxes for families with modest incomes</p>
<p> Retains the grocery tax credit to help families offset the sales tax they pay on food</p>	<p> Eliminates the grocery tax credit</p>
<p> Boosts critical education investments to help our children learn basic skills, including reading</p>	<p> Does nothing to help education, keeping Idaho 50th in the nation for school investment and causing Idaho students to continue falling behind their peers nationally</p>
<p> Is fiscally responsible and sustainable</p>	<p> Cuts revenue deeply, endangering our ability to cover basic services in the future</p>