

January 10, 2021

Dear President-elect Biden:

Congratulations on your election. We welcome your inauguration. There are many challenges that you face, and you have our prayers and support as you seek to govern with justice and mercy for all Americans. Of the many challenges you face, one of the most urgent is helping all Americans emerge from the chaos, despair, and economic devastation wrought by the coronavirus-19 pandemic.

The pandemic has caused untold economic devastation to millions of Americans, particularly Brown and Black Americans, and while there are many policy options at your disposal we believe that expansion of the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) can play an instrumental role in assisting millions of Americans struggling to make ends meet.

For decades, these refundable tax credits have been critical tools in the effort to reward work, support families, and lift millions of our fellow citizens out of poverty. Both the EITC and CTC have deep bipartisan support. And as Vice President, you worked to ensure that both EITC and CTC were expanded as part of the Recovery Act, and then you worked with Congress to make those expansions permanent.

As in 2008, our nation faces another dire economic crisis. We will be judged, as a nation and as people of faith, by how we help those in greatest need. In following our scriptures, it is our hope that we can help heal the division and pain facing our nation. Accordingly, we would urge you to support reasonable, temporary expansions to both the EITC and CTC in your forthcoming COVID relief package. Specifically, we would ask that you:

Expand EITC for low-wage, childless workers: That the EITC promotes work and supports low-wage workers is beyond question. However, too many workers – particularly older and the youngest adult workers – do not benefit at all from the EITC. Adult workers without children receive only a small EITC, leaving them taxed into or further into poverty. As people of faith, we question the justice of a tax code that punishes workers in this way. Enabling the EITC to supplement their limited earnings during a pandemic is a moral imperative.

Make the CTC fully refundable: The CTC provides a \$2,000 credit to eligible families with children. However, the CTC fails to cover nearly 26 million children as their families fail to qualify for this full amount or no credit whatsoever. Half of Black and Latino households are shut out of receiving the full credit. This problem could be addressed by making the credit fully refundable – meaning all children qualify for the full credit. Increasing the credit — along with a larger credit for children under 6 years of age if possible, will help provide much-needed assistance at a time when families are struggling.

Providing a robust earned income lookback: The recent COVID-19 relief package provided a “look back” for tax year 2020. Doing so enables workers to do what corporations are already able to do under the current tax code: endure sudden changes in income. The lookback option allows filers to use their 2019 wages – instead of 2020 wages impacted by COVID – when

calculating their EITC and CTC benefit. Given that 2021 will be tough for workers, another two-year lookback – which covers tax year 2021 – is warranted.

Again, we congratulate you on election, and look forward to working with you to address the many serious challenges which face our nation.

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CC: Leader Schumer, Leader McConnell, Speaker Pelosi, and Leader McCarthy