



Let's expand the Working Families Tax Credit for Young Adults

Since 2023, the Working Families Tax Credit (WFTC) has put [millions of dollars](#) back into the pockets of hundreds of thousands of working people in Washington, boosting our economy and making sure communities across our state have what they need to pay for essential expenses. This annual cash rebate puts up to \$1,290 back into the pockets of people with low to moderate incomes annually, helping re-balance Washington's upside down tax code.

The problem: Under current WFTC statute, people without qualifying children must be at least 25 years old to claim the WFTC, which means that **most young adult workers (age 18-24) are excluded from our state tax credit**. Eight other states have removed this barrier and expanded the age range of their state tax credit.¹ Washington should be next!

Young adults living on low-incomes need support

Young adult workers are strong contributors to their local economies, and yet many of them experience poverty due to low wages, the struggle of balancing obligations of work and school, and rising costs of housing and other basic needs. These young people face the highest poverty rates of any age group in the U.S. and are disproportionately likely to be people of color and/or impacted by the foster care system.² In 2021, over half of young adults 18-25 in Washington could not meet their basic needs.³ Providing a cash boost can make a big impact, allowing young people to put food on the table and cover emergency expenses at a critical point in their lives.

The WFTC's current minimum age requirement of 25 assumes that young adults receive familial financial support in their transition to adulthood. However, data demonstrates that is not the case for many young adults, and is disproportionately unlikely for young people of color.⁴ In order to claim the WFTC, young adults cannot be claimed as dependent on someone else's tax return, meaning the young adults affected by this expansion are financially independent.

- This expansion would support 85,000 young adults living on low-incomes, and expand eligibility by almost 24%.
- This would be particularly impactful for **youth transitioning out of foster care, community college students** who are supporting themselves while going to school, and **young adults without familial financial support** who are just entering the labor market.
- The young adults who would become eligible for a cash boost through this expansion are living on very low incomes: \$18,591 a year or \$25,511 if married.

Learn more about the Working Families Tax Credit Coalition at www.WaTaxCredit.org

¹Aidan Davis and Neva Butkus, "Boosting Incomes, Improving Equity: State Earned Income Tax Credits in 2023," ITEP, 2023, <https://sfo2.digitaloceanspaces.com/itep/Boosting-Incomes-Improving-Equity-State-Earned-Income-Tax-Credits-in-2023.pdf> These states are: New Jersey, New Mexico, Minnesota, Maryland, Maine, Illinois, Colorado, and California.

²Children's Defense Fund, "The State of America's Children 2020 - Child Poverty," 2021, <https://www.childrensdefense.org/wp-content/uploads/2023/08/The-State-Of-Americas-Children-2020.pdf>

³ Annie Kucklick, Lisa Manzer, and Alyssa Mast, "Overlooked & Undercounted Struggling to Make Ends Meet in Washington State," Center for Women's Welfare, September 2023, https://selfsufficiencystandard.org/wp-content/uploads/2023/09/WA2021_Demo_SSS.pdf

⁴ Amelia Coey, Gina Adams, and Heather Hahn, "Young People and Tax Credits," Urban Institute, February 2021, https://www.urban.org/sites/default/files/publication/103587/young-people-and-tax-credits_1.pdf