

Support our workers Act of 2021

****SECTION 1. SHORT TITLE.****

****(a)**** This Act may be cited as the “Support our workers Act of 2021”.

****SEC. 2. FINDINGS.****

Congress finds that

****(a)**** Since its inception the Earned Income Tax Credit (EITC) [has increased the disposable income of working Americans, contributed to a significant reduction in poverty, and incentivised hard work for millions of Americans](<https://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>)

****(b)**** A lower tax burden on the lowest earners reduces poverty, grows the economy and incentivises hard-work

****(c)**** EITC in its current form unfairly disadvantages those taxpayers with aged or ill dependents other than children

****(d)**** The current EITC bias against childless workers [decreases incentives to work and limits the credit’s poverty-reducing effects](<https://www.cbpp.org/research/federal-tax/childless-adults-are-lone-group-taxed-into-poverty>)

****SEC. 3. Changes to Earned Income Tax Credit****

****(a)**** In [26 U.S. Code § 32 - Earned income b (1) “Percentages”](<https://www.law.cornell.edu/uscode/text/26/32>) strike substitute the table with

|In the case of an eligible individual with:|The credit percentage is:|The phaseout percentage is|

|:---|:---|:---|

|1 qualifying child or dependent|34%|16%|

|2 qualifying children or dependents|40%|21.06%|

|3 or more qualifying children or dependents|45%|21.06%|

|No qualifying children or dependents|34%|16%|

****(b)**** In [26 U.S. Code § 32 - Earned income b (2) “Amounts”](<https://www.law.cornell.edu/uscode/text/26/32>) substitute the table with

|In the case of an eligible individual with:|The credit amount is:|The phaseout amount is:|

|:---|:---|:---|

|1 qualifying child or dependent|\$6,330|\$11,610|

|2 or more qualifying children or dependents|\$8,890|\$11,610|

|No qualifying children or dependents|\$6,330|\$11,610|

(c) In section [26 U.S. Code § 32 - Earned income](<https://www.law.cornell.edu/uscode/text/26/32>) insert the following subsection and redesignate accordingly

X. Qualifying dependents

(a) For the purposes of this Act a qualifying dependent shall mean an immediate family member or partner whose main place of abode is the United States who is incapable of taking care of themselves, due to advanced age, disability or ailment.

(d) In 26 U.S. Code § 32 - Earned income c (1) A substitute

(i) any individual who has a qualifying child for the taxable year, or

with

(i) any individual who has a qualifying child or dependent for the taxable year, or

SEC. 4. Increasing the standard deduction

(a) In [26 U.S. Code § 63 - Taxable income defined

](<https://www.law.cornell.edu/uscode/text/26/63#:~:text=Except%20as%20provided%20in%20subsection,other%20than%20the%20standard%20deduction>) .substitute

(B)\$4,400 in the case of a head of household (as defined in section 2(b)), or

(C)\$3,000 in any other case.

with

(B)\$19,500 in the case of a head of household (as defined in section 2(b)), or

(C)\$16,000 in any other case.

In [26 U.S. Code § 63 - Taxable income defined

](<https://www.law.cornell.edu/uscode/text/26/63#:~:text=Except%20as%20provided%20in%20subsection,other%20than%20the%20standard%20deduction>).)strike subsection (7)

Special rules for taxable years 2018 through 2025

SEC. 5. ENACTMENT

(a) This bill shall be enacted immediately after being signed by the President.

(b) Should any portion of this bill be found to be unconstitutional, unenforceable, or otherwise inoperable, the rest shall remain the law.

