

Seniors and young adults need a cash boost

Washington should join other states with expanded eligibility

Eight other states have modified their state EITC requirements to include younger workers, and three of those states (California, New Jersey, and Illinois) also include workers 65 and older.²

Lawmakers must take action to make our state tax credit more equitable

Our state tax credit for low- to moderate-income households, the Working Families Tax Credit (WFTC), is a win for communities that puts cash back in working people's pockets, and helps make our tax code more equitable and racially just.¹ Importantly, the tax credit is also available for people who file their taxes with an Individual Taxpayer Identification Number, which means immigrant workers and their families are included. However, because the WFTC's eligibility requirements are based on outdated federal Earned Income Tax Credit (EITC) eligibility requirements, young adults (ages 18 to 24) and working seniors (age 65 and older) are ineligible for our state tax credit unless they are able to claim a qualifying child on their tax return.

This means that most young adult workers and working seniors who would otherwise meet the income requirements are excluded from our state tax credit. It's time to expand the WFTC and make sure everyone can get this critical cash boost, regardless of age.

Here's what you need to know:



How many people would be impacted?

Approximately 114,000 people would benefit, expanding the number of people eligible for our state tax credit by more than 30%.



Who would benefit?

This expansion would benefit low-income young adults and working seniors without dependent children, who have annual income below \$17,640 for a single person, or \$24,210 for a married couple. See a WFTC eligibility visualization for 2024 [here](#). Please note these income limits increase slightly each year.



How much would they receive?

The amount people can receive from the WFTC is based on income level and number of qualifying children at home. **People without qualifying children can receive a maximum cash boost of \$315 per year.**

Washington can do more for young adults who are struggling to make ends meet

Providing a cash boost for self-supporting, low-income young adults as they pursue education and begin their careers can make a big impact, allowing them to put food on the table and cover emergency expenses at a critical point in their lives. 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.³ In Washington, more than one half of working young people between the age of 18 and 24 cannot meet their basic needs (see Figure 1).

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 Additionally, in order to claim their own EITC, young adults cannot be claimed as a dependent on someone else's tax return – solidifying their financial independence.

Working seniors also need support

We should all be able to retire with enough support to meet our needs. However, more adults aged 65 and older are working now than at any point during the previous 25 years. Adults over the age of 65 who are working are disproportionately likely to be Black, Asian, Native Hawaiian or Pacific Islander, Latinx, or multiracial.⁵ A cash boost from the WFTC would help working seniors to put food on the table, cover healthcare costs, and maintain safe housing. In Washington state, nearly one in 10 seniors are experiencing poverty (9.3%). Poverty rates for seniors are uneven across the state and highest in Yakima County (17.1%) where more than one in six seniors are experiencing poverty.⁶

Poverty rates among seniors

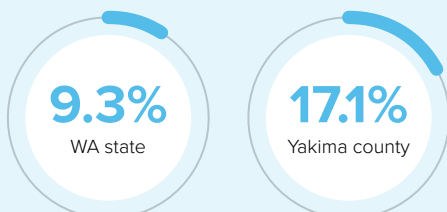
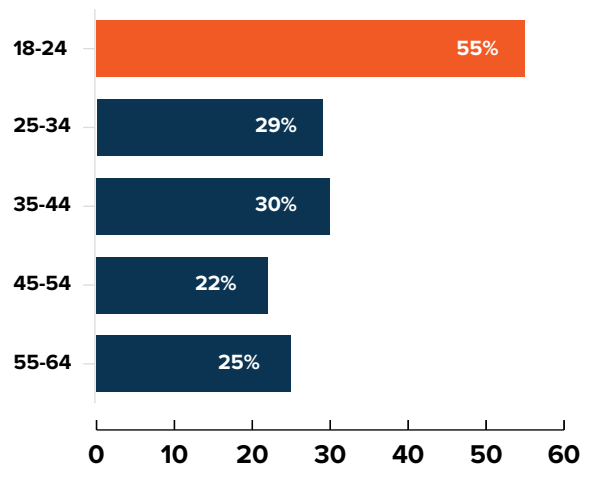


Figure 1

More than one half of Washingtonians aged 18 to 24 cannot meet their basic needs

Using the Self-Sufficiency Standard, householders that are between 18 and 24 years old have the highest rates of income inadequacy in Washington state, with 55% unable to cover their basic needs.



Source: Self-Sufficiency Standard, Center for Women's Welfare, University of Washington



Lawmakers must act to create a more equitable Working Families Tax Credit

Lawmakers have the opportunity to pass [House Bill 1075](#) / [Senate Bill 5249](#) and expand the Working Families Tax Credit to all eligible Washingtonians 18 and older. This expansion would benefit **114,000 working people in Washington state, and expand eligible population by more than 30%**. By prioritizing this legislation, lawmakers can ensure that working people have access to a cash boost regardless of age.

The Washington State Budget and Policy Center is a research and policy organization that works to advance the economic well-being of all Washingtonians.

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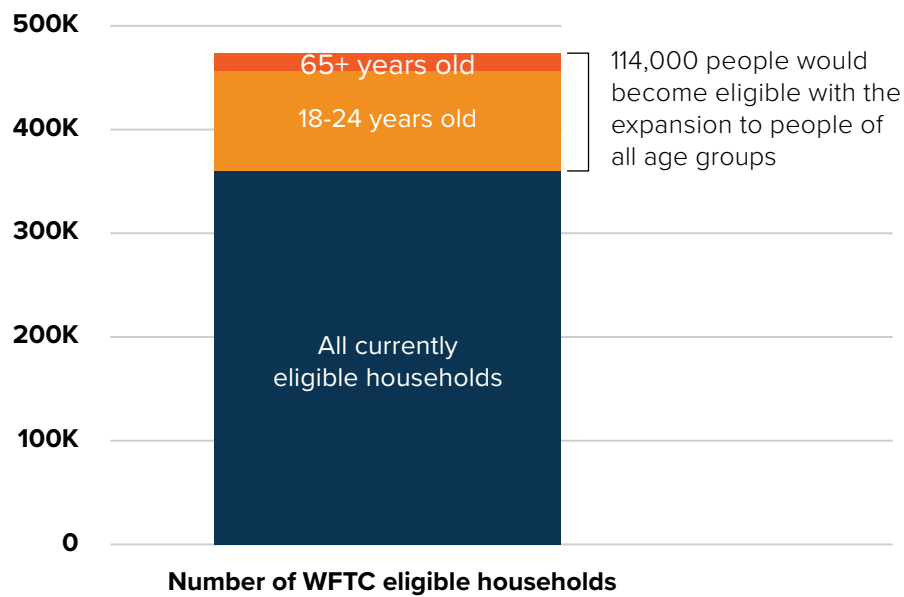
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Figure 2

Expanding the Working Families Tax Credit to working adults 18 years and older will add 114,000 people

Eliminating age restrictions for households without dependent children would extend the WFTC to 16,500 working seniors (65 years and older) and 97,500 young adults (age 18-24).



Source: Numbers are estimates based on calculations from the Department of Revenue, 2024. These estimates may change based on new calculations or updated assumptions.

Endnotes:

1. Andy Nicholas, Liz Olson, and Margaret Babayan, "New Reforms Bring Balance and Equity to State's Tax Code and Economy," Washington State Budget and Policy Center, July 2021, <https://budgetandpolicy.org/schmudget/new-reforms-bring-balance-and-equity-to-states-tax-code-and-economy/>
2. Aidan 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>
Age ranges are: New Jersey - 18-24 and 65+, New Mexico - 18-24, Minnesota- 19-24, Maryland - 18-24, Maine - 18-24, Illinois - 18-24 and 65+, Colorado - 19-24, and California - 18-24 and 65+.
3. Amelia Coffey, 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_0.pdf
4. Data from the Washington State Department of Revenue, May 2022
5. According to Washington State Budget and Policy Center calculations using the 2021 5-year American Community Survey Public Use Microdata Sample.
6. According to Washington State Budget and Policy Center calculations using American Community Survey Data, 2022. <https://data.census.gov/table/ACSST1Y2022.S1701?g=040XX00US53>

