



Testimony Re: H-7594 Earned Income Tax Credit
House Finance Committee
May 7, 2026
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Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that will help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support Representative O'Brien's bill, H-7594. This act increases the Rhode Island refundable earned-income credit 30% of the federal earned-income credit.

Refundable federal and state Earned Income Tax Credits (EITC) are recognized as leading anti-poverty policies for babies and young children because they provide substantial cash refunds to working families who have low and moderate incomes. Research shows that state and federal EITC reduce racial disparities in birth outcomes, increase parent workforce participation and earnings, and improve household economic security – with the greatest impact on single mothers and their children.

In 2023, Rhode Island raised our refundable EITC from 15% to 16% of the federal credit. **This bill would raise the state's refundable EITC to 30% of the federal credit.** Both Massachusetts and Connecticut offer a 40% refundable state EITC. Other states with better state EITCs are Kansas (17%), Illinois (20%), New Mexico (25%), Maine (25%), New York (30%), Michigan (30%), Vermont (38%), New Jersey (40%), Hawaii (40%), Maryland (45%), Colorado (50%), and the District of Columbia (70%).

Thank you for this opportunity to provide testimony and for Representative O'Brien's leadership on this issue.