



*Updated: March 30, 2021*

## **The American Rescue Plan**

### **Expanded Earned Income Tax Credit (EITC) for Workers without Children**

The Earned Income Tax Credit (EITC) is an important wage subsidy program for low-income workers. The American Rescue Plan Act expands the program by nearly tripling the maximum EITC benefit for workers without children from roughly \$540 to roughly \$1,500, and the income cap for these adults to qualify from about \$16,000 to at least \$21,000. It also expands the age range of eligible workers without children to include younger adults aged 19-24 (excluding students under 24 who are attending school at least part time), as well as people aged 65 and over.

In order to receive your Earned Income Tax Credit, you must file a federal income tax return. Those who do not file a federal income tax return cannot receive the EITC. The expanded EITC benefits accrue during the 2021 tax year and will be reflected in your 2021 federal tax return.

For more information on how the expansion of the Earned Income Tax Credit will reduce poverty in America, please read more on the [Center for Budget and Policy Priorities website](#).