House Bill 588: Georgia Work Credit

Sponsored by Houston Gaines (R-Athens), Sharon Cooper (R-Marietta), Ron Stephens (R-Savannah), Lee Hawkins (R-Gainesville), Katie Dempsey (R-Rome) and Scott Holcomb (D-Atlanta)

Bill Could Benefit 700,000 Hardworking Georgia Families, Cut Taxes for Households Working into the Middle Class

A bipartisan coalition of leaders in 30 states have promoted state versions of the federal Earned Income Tax Credit (EITC) because it incentivizes work, helps families transition into higher paying jobs and allows Georgians who most need a pay raise to keep more of what they earn.

House Bill 588 proposes enacting a nonrefundable state EITC worth 10 percent of the federal credit. This legislation would cut state taxes for more than 700,000 lower- and middle-income households by up to $500. Enacting House Bill 588 would:

- Improve the health of Georgians, especially mothers and children while putting more money in the pockets of the families of over 1 million children
- Help families afford quality child care
- Provide an economic boost to communities statewide

In 2020, this policy would invest approximately $140 million to cut taxes for 700,000 working families across the state, including over 1 million children.
As lawmakers look for ways to bolster communities, reward work and spur economic activity, House Bill 588 has the potential to generate long-term benefits that significantly move the needle for hardworking Georgia families.

Non-Refundable Work Credit
Cuts Taxes for 700,000 Georgia Households Earning Low- and Moderate-Incomes

A non-refundable state EITC would benefit more than 700,000 families by reducing the household’s income tax liability. House Bill 588 represents an effective and efficient way to cut taxes for many working families, particularly those earning modest wages.

Middle Class Tax Cut

The EITC supports families working their way into the middle class. The targeted design of the credit rewards work to build stronger middle-class families. As wages rise, the credit grows in value to encourage recipients to stay employed and work more hours.

Improve Family Health

House Bill 588 would reduce the rate of low-weight births and help infants have healthier futures. The federal EITC is also linked to higher access to prenatal care, improved mental health and other positive health outcomes.