

U.S. Sen. Baldwin: U.S. Senators Tammy Baldwin and Cory Booker introduce The Stronger Way Act in Milwaukee

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WASHINGTON, D.C. – U.S. Senators Tammy Baldwin (D-WI) and Cory Booker (D-NJ) today introduced The Stronger Way Act, bold tax reform legislation that rewards work and creates a new partnership to support local jobs programs that will raise incomes for working families.

“Tax reform needs to reward hard work, raise incomes and help working families keep more of what they earn. Too many people are being left behind by Washington and The Stronger Way Act starts helping them get ahead,” **said Senator Baldwin.** “The Stronger Way Act offers tax reform to reward work and a new partnership to invest in local jobs programs that will help raise incomes for working families.”

“We must realize the fundamental promise that if you work hard in America, America should work for you,” **said Senator Booker.** “Our bill will raise incomes and keep more Americans out of poverty by strengthening tax credits for working families and ensuring that hard work is more fairly rewarded. In stark contrast to the tax framework offered by President Trump last week, this bill will put money in the pocket of low- and middle-income individuals and families—not just the wealthy and the well-connected.”

Specifically, The Stronger Way Act rewards work with tax reform that raise incomes

for working families and individuals, strengthens tax credits for working families with children and creates a new federal partnership to support state and local transitional jobs programs that move unemployed individuals into the workforce and raise incomes for working families.

TAX REFORM THAT REWARDS WORK: THE EARNED INCOME TAX CREDIT

RAISING INCOMES FOR WORKING FAMILIES

The Stronger Way Act recognizes that we can do more to strengthen the economic security of working families with targeted tax reform like expanding the Earned Income Tax Credit (EITC) for working families with children.

The Stronger Way Act increases the rate at which the Earned Income Tax Credit phases in for working families with children to both encourage work and target additional dollars to low-income working families. Workers with earnings above 50 percent of the poverty line receive the maximum EITC, as do people working full-time at the minimum wage. This tax reform would reward work and benefit 63 million people, including nearly 29 million children of working parents.

For example, a single working mother with two children making poverty-level wages would earn a tax credit increase of more than \$2,200 under this reform. A working married couple supporting three children on an income of \$20,000 per year would earn a \$3,500 tax credit boost to help promote income growth for this family.

MAKING WORK PAY FOR WORKERS WITHOUT CHILDREN

Currently, a childless adult working full-time and earning minimum wage receives little to no Earned Income Tax Credit and can be taxed into poverty. We need to make work pay for everyone by extending this tax credit to workers without children.

The Stronger Way Act proposes strengthening the Earned Income Tax Credit for childless workers as an effective way to promote work, boost income, and reduce poverty. It would make more childless workers eligible for the EITC and expanding this anti-poverty tax credit would benefit more than 20 million childless workers. This reform also ensures that 6.9 million workers are not taxed into poverty, as they are under current tax law.

These workers would be eligible to earn a tax credit of about \$1,500 under this reform to offset federal payroll and income taxes and help meet their basic needs.

For example, a 30-year-old childless worker making poverty-level wages of about \$12,500 currently receives an Earned Income Tax Credit of \$180. The Stronger Way Act allows this working taxpayer to earn the maximum credit of about \$1,500 for childless workers.

TAKING ON CHILD POVERTY: THE CHILD TAX CREDIT

The Stronger Way Act will strengthen and improve the Child Tax Credit by making the tax credit refundable for all families starting at the first dollar earned. This tax reform simplifies the tax code, makes the credit more consistent with the Earned Income Tax Credit, and targets additional Child Tax Credit benefits to very low-income families, who are most in need.

For all working families receiving the Child Tax Credit, The Stronger Way Act also increases the rate at which the credit phases in and ties the current maximum credit of \$1,000 per child to inflation to ensure its real value is not eroded by rising household costs of food, housing, and transportation for working families.

THE DIGNITY OF WORK: A NATIONAL COMMITMENT TO TRANSITIONAL JOBS

The Stronger Way Act creates a federal commitment to making transitional jobs available by establishing a new jobs grant program at the Department of Labor. This will build a new federal partnership with state and local governments, businesses, and non-profit organizations. With this new partnership, we can strengthen state and local efforts to move people out of poverty and into the workforce.

Background on The Stronger Way Act is [available here](#).

An online version of the press release is [available here](#).