



SENATOR  
**JOHN BRODEN**  
116TH INDIANA GENERAL ASSEMBLY ★ SENATE DISTRICT 10

**NEWS RELEASE**

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**Broden sponsors proposal protecting Earned Income Tax Credit**  
*Senate advances plan to protect low-income credit*

INDIANAPOLIS – The Senate voted 44 to 6 today to approve House Bill (HB) 1021 sponsored by State Senator John Broden (D-South Bend) that would allow for exemptions to be made in bankruptcy matters. The bill would allow a debtor's Indiana Earned Income Tax Credit (EITC) to be considered exempt property under the bankruptcy property exemption statute.

"This tax credit is one of the largest and most effective anti-poverty tools in the state," said Sen. Broden. "It is designed to encourage low-income workers and offset the burden of payroll taxes on employers. So it only makes sense that this credit be protected in these financially troubling times"

Current Indiana law provides that one's individual earned in tax credit is exempt. This law would ensure that one's state earned income tax credit be protected as well. In 2008 the General Assembly increased Indiana's EITC to 9 percent of the federal EITC received by a taxpayer. More than 493,000 Hoosiers benefitted from the EITC that year, receiving an average credit of \$1,991. In total, the EITC put nearly \$981.6 million back into the pockets of working Hoosier families. However, the IRS estimates that over 25 percent of eligible individuals do not claim the credit.

Sen. Broden said that these credits may be more important to Hoosier families than ever before due to the rising number of bankruptcy filings as a result of the recession. The money gained from these credits could help Hoosier families pay for essential services such as health care, child care and other expenses.

The bill was unanimously approved by the House and will now move to the governor's office for his signature or veto.

For more information on Broden, his legislative agenda or other State Senate business call 1-800-382-9467 or visit [www.senatedemocrats.in.gov](http://www.senatedemocrats.in.gov).

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