

## **The Golden State Stimulus Provides Additional Resources for Low-Income Households Including Those Headed by Undocumented Californians, Misses Critical Opportunity for More Equitable Relief**

*The stimulus package provides \$600 in relief per tax filer eligible for CalEITC, including ITIN filers with earnings up to \$75,000, and those enrolled in programs such as CalWORKS.*

(Sacramento, CA) — Today the California State Legislature and Governor Newsom announced a budget deal on the Golden State Stimulus (GSS) among other state-funded efforts to address the negative financial impacts of COVID-19. This midyear budget action will provide direct relief for low-income tax filers, with payments of \$600 for individuals who are eligible for the California Earned Income Tax Credit (CalEITC), including those using an Individual Taxpayer Identification Number (ITIN), with an additional targeted \$600 for ITIN filer households with income of up to \$75,000 annually. The CalEITC Coalition has been clear in our advocacy efforts that California needs to prioritize undocumented workers and their families while building on the Governor's original GSS proposal. In addition, our coalition recognizes that the CalEITC tax structure is the most effective way to reach hundreds of thousands of hurting Californians, especially since ITIN filers are now included.

While the coalition is pleased to see progress made in the GSS deal, it does raise concerns about equity for the hardest-hit families struggling to meet their basic needs. This is especially true for ITIN filers, of whom 70 percent have child dependents and received no federal aid because the tax filer in the household does not have a Social Security Number (SSN). For example, a household with 2 ITIN filer parents and two children would be eligible for a maximum of \$1200 in GSS relief, accounting for only 21 percent of the federal relief they have been excluded from.

During the GSS budget negotiations, our coalition advocated for incorporating the Governor's original proposal of allowing low-income filers who claimed the CalEITC to be eligible for the \$600 Golden State Stimulus. We additionally advocated for providing \$1200 per adult and \$1200 per child for those who file with an ITIN and with an increased income threshold of \$50,000 a year in hopes to cover up to 90% of what undocumented families missed in federal stimulus. This would have been a huge victory for low-income communities, especially ITIN filers with children.

Our coalition, consisting of over 60 organizations including policy advocates, low-income service providers, labor representatives, and community-based and faith-based organizations, has been advocating for the CalEITC since the state credit was established in 2015. We fought for years to make the tax credit inclusive for all income-eligible Californians and were able to include ITIN filers last year when AB 1876 (Arambula) was signed into law. We will continue to fight for equity-based investments in 2021 and beyond. While we are pleased that the GSS will use the CalEITC mechanism to distribute cash to our neediest families, we believe with California's current sizable revenue surplus, more can and should be done for immigrant-led households.

We extend thanks to Governor Newsom and the California State Legislature for their continued commitment to the communities we serve. Despite this not being the victory we hoped for, the GSS budget deal as announced by the Governor and Legislative leaders provides some much-needed relief for well over an estimated 600,000 to 700,000 ITIN filers who have been heavily impacted by the current economic crisis. This stimulus is a step in the right direction and a reminder of the need for the critical services our coalition members provide. We look forward to working with policymakers and leadership as our coalition to advocate for our most historically disenfranchised communities.