



Statement Celebrating the Creation of Working Pennsylvanians Tax Credit

November 14, 2025

Children's HealthWatch applauds the Pennsylvania Legislature for taking a bold step toward economic justice and family well-being by passing a state budget that establishes a state-level, fully refundable Earned Income Tax Credit (EITC). This credit, named the Working Pennsylvanians Tax Credit, will put \$193 million back into the pockets of [940,000 low- to moderate-income Pennsylvanians](#). Pennsylvania joins 31 states to offer a local EITC.

"The Working Pennsylvanians Tax Credit will ensure more families are able to better afford necessities like food, rent, and prescriptions," said Children's HealthWatch Philadelphia Principal Investigator Dr. Félice Lê-Scherban. "The establishment of this credit demonstrates the Pennsylvania Legislature's dedication to the financial health of low- and moderate-income Pennsylvanians, especially when cuts to the federal safety net, tariffs, and inflation are raising the costs of living."

Starting this tax season, the Working Pennsylvanians Tax Credit will provide families who qualify for the federal EITC with a 10% match of the federal credit, up to \$805. Crucially, the credit is fully refundable, meaning families with very low or no tax liability will still receive the full value of the credit as a refund.

A robust body of research from Children's HealthWatch and others demonstrates that refundable tax credits benefit both individuals and their communities. Families who receive the EITC are better able to [afford basic needs](#) like food, housing, and health care, which supports the mental and physical health of everyone in the household. The supplemental income also supports long-term savings and buffers families from financial hardships and crises.

Our research shows that tax credits that put money directly into families' pockets, like the EITC and Child Tax Credit, are some of the [most effective anti-poverty policies](#), [boosting health and allowing families to catch up on rent](#). The EITC also benefits pregnant women by supporting better birth outcomes. Expansions of the EITC have been strongly associated with a [reduced risk of low birth weight](#), setting babies up for better development and health throughout their lives.

The Working Pennsylvanians Tax Credit, long championed by [United Way of Pennsylvania](#), Representative Christina Sappey and Senators Judy Schwank and Lynda Schlegel Culver, comes at a crucial time for families in Pennsylvania. Currently [143,000 residents across the state](#) face immediate cuts to their nutrition assistance benefits, and thousands more are seeing [health care premiums double or even triple](#). The Working Pennsylvanians Tax Credit will help supplement some of these missing benefits, shielding families from the worst effects of rising costs.

“Today we celebrate the establishment of this evidence-based, health-boosting credit,” Dr. Lê-Scherban continued. “Putting money directly into families’ pockets is the best way to reduce poverty, and the Working Pennsylvanians Tax Credit does exactly that.”

About Children’s HealthWatch: *Founded in 1998, Children’s HealthWatch is a nonpartisan network of pediatricians, public health researchers, and children’s health and policy experts committed to improving children’s health in America. The network collects real-time data in urban hospitals across the country on infants and toddlers from families facing economic hardship, then analyzes and shares its findings with academics, legislators, and the public.*