



## KENTUCKIANS FOR THE COMMONWEALTH

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*Action for Justice*

### Kentuckians Urge Relief and a Fundamental Reshaping of Our Economy

#### A statement from Kentuckians For The Commonwealth as House COVID Relief plan advances

**February 23, 2021**

Kentuckians stand to benefit as much or more than residents of any other state from a package of federal COVID relief measures that cleared the U.S. House Budget Committee yesterday, a panel chaired by Democratic Congressperson Rep. John Yarmuth of Louisville.

Kentuckians For The Commonwealth, a statewide grassroots social justice organization, applauds Rep. Yarmuth's leadership on the bill. And we urge other members of Congress, including Kentucky's GOP senators and representatives, to do their jobs by passing the bill immediately and delivering urgently needed relief to Kentuckians and all Americans.

"This pandemic has exaggerated the inequities in our economy and society, and this relief package is the least Congress should do. It's a necessary band-aid," noted KFTC Chairperson Cassia Herron. "Going forward, we don't just need relief. We need Black and brown Americans and women, immigrants and low-paid workers leading the change to create a democratic, shared economy."

The COVID relief bill passed by the U.S. House Budget Committee today contains important seeds of the kinds of long-term changes that are needed. For example:

**\$15 minimum wage.** The House bill includes a gradual increase in the minimum wage to \$15 / hour. Kentucky has the highest share of workers earning the minimum wage of any state. While the cities of Louisville and Lexington both previously voted to raise minimum wages for workers in their communities, those local ordinances were later overturned. Meanwhile, many state incentives and corporate tax breaks approved by our state legislators – including the absurdly low tax rate just approved for horse-racing slot machines – are subsidizing the creation of jobs that fall far short of providing the income necessary for people to be able to care for their families. Kentuckians need the federal government to step in and raise the minimum wage.

**Child credit of up to \$3,600 per young child:** The bill contains a fully refundable tax credit of up to \$3,600 per child for children up to 6 years old and \$3,000 for children between 6 and 17. In 2021, this credit would be paid to families on a monthly basis, beginning in the summer. The current federal tax code contains a child credit of \$2,000. However, many low-income families - including half of all Black and Latino children and half of all rural children - do not receive the full credit because their families earn too little. The House proposal makes the full amount available to all but the very highest income families. In Kentucky, the Center on Budget and Policy Priorities

estimates that [421,000 children](#) under the age of 17 are not eligible for the full \$2,000 credit, and would benefit under the new proposal.

Expands the Earned Income Tax Credit for low-paid adults who are not raising children in their home. The House plan triples from \$530 to \$1,500 the Earned Income Tax Credit for eligible low-paid workers who are not raising children. This provision affects workers earning less than \$21,000 a year. It also expands eligibility to adults aged 19-24 who are not full time students, and workers over the age of 65.

\$1,400 Survival Checks. The House plan sends survival checks worth \$1,400 to individuals who make up to \$75,000 a year or who earn less than \$150,000 as a couple. This one-time payment doesn't go far enough to help people keep shelter over their heads and food on their tables. But it is an important acknowledgement from the federal government that one of the most effective ways to help people facing economic hardship is to provide direct cash assistance without strings.

Unemployment Insurance. The House plan extends \$400 a week in federal unemployment benefits through the end of August 2021. This is down from \$600 a week in the first COVID relief bill passed in May 2020. But current federal unemployment benefits are set to expire March 14, 2021.

Immigrant Inclusion in Survival Checks. The House plan includes survival checks for some mixed status families, so families with 2.2 million U.S. citizen children can get relief, even if the parents are not documented. However, 9.3 million immigrant taxpayers with Individual Taxpayer Identification Numbers, including millions of essential workers, continue to be left out of survival checks, yet again.

Federal Aid to State and Local Governments: The package includes \$350 billion in federal aid to state and local governments to help shore up the budgets of those governments and prevent layoffs of public workers. Kentucky has already seen a significant decline in public jobs due to the pandemic. A new analysis by the Washington Post shows that state government jobs in Kentucky declined by 12 percent in 2020. As new federal funds begin to flow to states, counties and cities, Kentuckians will need be organized and relentless in demanding that these resources be invested in ways that benefit our communities, address inequality, and repair harm.

Expansion of health care to millions of Americans: The package increases the size of federal health care subsidies available to people who currently qualify (folks earning between 100 and 400 percent of the federal poverty limit) under the Affordable Care Act. And it makes federal subsidies available for the first time to 2.6 million people who currently make too much money to qualify but still can't afford premiums.

KFTC members look to Congressman Yarmuth and our other members of Congress to follow the lead of their BIPOC (Black, Indigenous and people of color) colleagues and pass big bold legislation like the THRIVE (Transform, Heal, and Renew by Investing in a Vibrant Economy) agenda and Breathe Act that provide states and local governments with incentives to build inclusive and generative local economies.