

GOVERNOR JOSH SHAPIRO

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In Fayette County, Governor Shapiro Highlights New Working Pennsylvanians Tax Credit that Will Cut Costs, Deliver \$193 Million in Tax Relief for 940,000 Pennsylvanians

The new state-level Earned Income Tax Credit — created in the <u>2025–26</u> budget Governor Shapiro signed this month — cuts taxes for working Pennsylvanians.

This is the seventh tax cut signed into law by Governor Shapiro in less than three years.

Modeled after the federal Earned Income Tax Credit (EITC), the state-level credit equals 10 percent of the federal credit — putting more money back in Pennsylvanians' pockets and providing meaningful support to families across all 67 counties.



Uniontown, PA – Today, Governor Josh Shapiro, alongside legislative and community leaders, visited Fayette County Community Action Agency (FCCAA) to highlight how the new Working Pennsylvanians Tax Credit (WPTC) — created in the 2025–26 budget signed by the Governor this month — will deliver \$193 million in tax relief to 940,000 working Pennsylvanians beginning next tax season.

Modeled after the federal Earned Income Tax Credit (EITC), the new state-level credit equals 10 percent of the federal credit. Anyone who qualifies for the federal EITC will now automatically qualify to receive both credits, helping reduce taxes owed and put more money back in hardworking Pennsylvanians' pockets.

The Working Pennsylvanians Tax Credit is the **seventh tax cut** signed into law by Governor Shapiro in just three years and reflects his continued commitment to cutting taxes and lowering costs for working families.

"From day one, I've made cutting taxes and lowering costs for working families a top priority," said **Governor Shapiro**. "Pennsylvanians are feeling the impact of rising costs, and while federal policies have only made that harder, my Administration is focused on cutting taxes and helping working families get ahead. This new Working Pennsylvanians Tax Credit will put up to \$805 back in the pockets of hardworking Pennsylvanians, giving them more resources to support their families."

Pennsylvanians qualify for the **Working Pennsylvanians Tax Credit** based on income and number of dependents. The maximum state credit is \$805.

Click <u>here</u> to try the new WPTC online calculator to estimate your credit or <u>here</u> for a county-by-county breakdown showing how many Pennsylvanians will benefit.

Filing will be simple and automatic:

- When Pennsylvanians file their federal and state taxes, the Pennsylvania Department of Revenue will automatically calculate the state credit.
- Anyone who qualifies for the federal EITC will now automatically qualify for the state credit, helping reduce taxes owed and put more money back in hardworking Pennsylvanians' pockets.
- Free tax preparation services including Fayette County Community Action Agency (FCCAA)'s Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs, offered in partnership with United Way of Southwestern Pennsylvania — will continue to support residents with filing.

Fayette County Community Action Agency (FCCAA) has served Fayette County for nearly 60 years and assists more than 30,000 residents each year across programs ranging from housing and employment services to family supports, emergency assistance, food and nutrition, and community development. Its VITA and TCE programs, operating at the Uniontown Mall from late January to mid-April, processed 1,108 returns last tax season with 17 trained volunteers and have helped file more than 40,000 returns since 1981.

"Every day, our team works across aging services, housing, employment and training, nutrition, and community development to strengthen families and empower this county. Through our VITA and TCE programs — run in collaboration with the United Way — we've seen up close how meaningful targeted tax cuts can be," said **Kim Hawk**, **CEO**, **FCCAA**. "That's why we're so grateful for the new Working Pennsylvanians Tax Credit. This credit delivers real support to hardworking families here in Fayette County and across the Commonwealth. Governor Shapiro, thank you for your leadership and for your commitment to programs that directly improve the lives of the people we serve."

"As a working parent, I know what it's like to sit at the kitchen table and try to make the numbers add up," said **Rose Comport**, **who works as a Nutrition Assistant for FCCAA's WIC Program**. "Families are doing everything they can to stretch every dollar — and with the price of groceries, gas, doctor visits, and unexpected expenses, it's harder than ever. That's why this new tax credit matters so much — it will give working parents a little breathing room, help families stay on their feet, and allow them to focus on raising their kids and building a better future."

In Fayette County, nearly 12,000 people could benefit from the WPTC, totaling \$2.3 million back in hardworking Pennsylvanians' pockets.

The Working Pennsylvanians Tax Credit builds on six additional tax cuts Governor Shapiro has enacted since taking office, including:

• Expanding the Property Tax/Rent Rebate (PTRR) program — the largest targeted tax cut for seniors in nearly two decades. Last year, more than 522,000 Pennsylvanians received over \$319 million dollars in rebates.

- Creating the Employer Child Care Contribution Tax Credit to help businesses support working parents.
- Expanding the Child and Dependent Care Enhancement Tax Credit now matching 100 percent of the federal credit. Last year, this credit delivered \$136.5 million to nearly 219,000 working families.
- Allowing student loan interest deduction up to \$2,500.
- Lowering the Corporate Net Income Tax (CNIT) saving businesses more than \$1.5 billion, with the rate continuing to drop. This budget cuts the CNIT another half percent.
- Increasing Net Operating Loss (NOL) deductions to help small businesses grow.

"These cuts mean additional funds in the pockets of Fayette County-ians, which will be spent locally, and help churn our Fayette County economy. These key investments help feed our children and our seniors and support child care," said **Scott Dunn, Chairman, Fayette County Commissioners.** "So, as we work in Fayette County to build a new future through business attraction and expansion, through a renewed emphasis on higher education, and a focus on our housing needs, the Governor's Earned Income Tax Credit can offer a buffer to us, until we get to where we, as a county, want to be."

"We don't agree with every line item, but there's some things we do agree on, so let's focus on the good things and what we do agree on," said **Senator Patrick Stefano.** "Giving that hand out and hand up to those that are already working, that are part of the workforce and just need a little bit of help to get up over the edge—that's what we're here for."

Governor Shapiro has made cutting costs and delivering support to working families a top priority. The 2025–26 budget reflects that commitment, funding programs that lower everyday expenses, expand opportunity, and strengthen communities across the Commonwealth.

Read more about Governor Shapiro's <u>2025-26 budget</u>, view the Governor's remarks as prepared <u>here</u>, or watch the Governor's deliver remarks <u>here</u>.