



House Bill 1082: Tax Relief for Working Families Act Helps workers and their families afford the basics

Filed: April 28, 2026

[Link to HB 1082 / SB 942](#)

HB 1082 Summary: This is the refiling of a 2025 bill (same name) that proposes a fully refundable state-level Earned Income Tax Credit (EITC) at a value of 20% of the federal credit using the same eligibility requirements.

Refundable tax credits boost budgets and reduce poverty.

- Low-income eligible North Carolinians receive an average of \$3,000 annually in federal EITC benefits.¹ Through this proposal, those families would receive an additional \$600 annually, on average.²
- Affording daily life is becoming increasingly challenging for North Carolinians working for low and moderate incomes. This boost to a family's budget can improve their ability to afford food, medicine, childcare, car repairs, or a transition to stable housing, positively impacting recipients and their children.

Our state tax code is regressive — a tax credit for working families will help.

North Carolinians who earn lower wages pay more as a share of their income in state and local taxes than the wealthiest. The lowest 20 percent of earners pay on average over 10 percent of their income each year in state and local taxes, while those in the top 1 percent pay just 6 percent.³ This credit would mitigate some of the harm of our regressive tax code and ensure these workers keep more of what they earn.

Refundable tax credits are proven to improve the well-being of children and parents in claiming families

- Low-income children in families that get an income boost through policies like the EITC perform better in school, are more likely to attend college, and earn more as adults.⁴
- The EITC is associated with reductions in poverty-related toxic stress, improved birth outcomes,⁵ and increased consumption of healthier foods.⁶
- EITC is associated with a decrease in so-called “deaths of despair” associated with the stress and hopelessness resulting from stagnating wages and economic insecurity.⁷

More about HB 1082

- The credit is fully refundable, meaning if a taxpayer owes less in income taxes than the value of the EITC (which is consistently the case for low-wage workers), they will be returned the difference.
- Credit amount is dependent on income and family size.
- North Carolina previously had an EITC which lawmakers eliminated in 2014, set initially at 5 percent of the federal credit and then reduced to 4.5 percent just before expiration.⁸

¹ <https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-the-earned-income>

² The average federal credit amount multiplied by 20%.

³ <https://ncbudget.org/who-pays-taxes-in-north-carolina/>

⁴ <https://www.cbpp.org/research/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens-development>

⁵ www.sciencedirect.com/science/article/abs/pii/S0277953617306226?via%3Dihub

⁶ <https://www.chicagofed.org/publications/working-papers/2013/wp-14>

⁷ www.nber.org/system/files/working_papers/w25787/w25787.pdf

⁸ <https://www.cbpp.org/blog/unhappy-new-year-north-carolina-eliminates-its-eitc>