

# EDUCATING LAWMAKERS AND LOOKING TO THE FUTURE

## LESSONS FROM MONTANA'S CAMPAIGN

*This case study is part of a series examining the strategies and messages used by advocates to create, expand or protect the state Earned Income Tax Credit.*

### BACKGROUND

Advocates in Montana have been pushing for a state-level Earned Income Tax Credit (EITC) for years, and made major progress during the 2015 legislative session. Previously, Montana had not seen meaningful movement on the issue since 2009. Although the legislature failed to pass legislation creating the state credit, lawmakers and advocates made considerable strides, laying the groundwork for the 2017 legislative session and future campaigns.

Montana, where the legislature meets only during odd-numbered years, has a Democratic governor, Steve Bullock, and a predominantly Republican legislature. While the state is generally conservative, the Republican majority includes a group of legislators who join Democrats to form a majority on some issues. Advocates have worked for years to forge connections with these Republican lawmakers, educating them about refundable tax credits, and laying the groundwork for EITC and other antipoverty bills.

### CAMPAIGN STRUCTURE AND STRATEGY

During the planning stages for the 2015 legislative session, lawmakers and advocates focused on passing Medicaid expansion and blocking changes to antipoverty programs that included adding work requirements and asset tests. A coalition of organizations, spearheaded by the Montana Budget and Policy Center, was part of the group working to protect those safety net programs.

The session also saw an unprecedented number of tax-cutting measures, which, if passed, would have resulted in more than \$630 million in lost revenue per biennium. Members of the coalition testified on these bills highlighting several messages: (1) a majority of the benefit for these tax proposals went to the wealthiest households; (2) Montana's overall tax structure is regressive, with lower-income families paying a higher percentage in state taxes than higher-income households; and (3) the majority's tax cut plans did little to help everyday Montanans. These messages, delivered through legislative testimony and news coverage, provided new momentum for a state EITC, and Rep. Tom Jacobson (D) sponsored HB 592 to establish a refundable EITC worth 10 percent of the federal credit.

The most successful messages focused on equity. Advocates found that by emphasizing the need for a fair tax system – explaining that if the wealthiest Montanans were receiving help, then the poorest also deserved a leg up – they were able to generate interest from lawmakers and potential beneficiaries.

Advocates also rallied lawmakers from both sides of the aisle by emphasizing the EITC's history of bipartisan support. The Montana Budget and Policy Center invoked former President Ronald Reagan's support of the EITC by reminding lawmakers that he had once called the credit the "best job-creation program ever to come out of the Congress of the United States."

A key was highlighting the variety of voices that would benefit from a state EITC and collecting compelling stories about how a state EITC would affect Montana residents – including veterans, middle-income earners and victims of domestic violence. By sharing stories from a wide variety of people, advocates conveyed the breadth of the federal credit's impact and the benefit a state version would bring to both individuals and the businesses in the communities in which they live. These stories and research were useful in messaging materials, meetings with lawmakers and op-eds.

The coalition helped plan for the hearing on the bill in the House Committee on Taxation and used the hearing to both push for the bill and further educate lawmakers about the EITC's benefits for future campaigns. In Montana, advocates are allowed a considerable amount of freedom to plan hearings, and the coalition brought in powerful witnesses early in the hearing to ensure that lawmakers and reporters would hear their stories first. The coalition organized testimony from EITC recipients, the Montana Credit Union Network, the Montana Food Bank, the Chamber of Commerce, Montana Coalition Against Domestic and Sexual Violence and others. Additionally, organizers prepped supportive committee members with questions to help witnesses prepare their testimony and answers to likely questions.

The Committee on Taxation passed the bill out of committee by a vote of 16-4 (with 8 of 12 Republicans supporting). Due to legislators' concerns about the cost of the bill, it was amended to pare down the credit to 5 percent of the federal credit but maintained the state version's refundability. It then passed on second reading on the House floor by 50-48, but subsequently died in the House Appropriations Committee.

## KEY MESSAGES USED

*Examples of messages used by the Montana Budget and Policy Center and other advocates during their campaign to create a state EITC.*

- **Montana's low- and moderate-income families pay a greater share of their income in taxes.** Montana's working families, not the wealthiest households, deserve a leg up.
- **The EITC enjoys bipartisan support at the federal and state level.**
- **The EITC is the most effective anti-poverty policy.** The credit helps those who need a leg-up briefly and then allows them to move out of poverty.

*"The EITC affords me the means to pay for necessary items such as vehicle upkeep and maintenance, home maintenance and improvements, daily and summer daycare, swimming lessons, Learning RX supplemental education which helped improved Alexandra's school grades, membership in an engineering robotics club (where Alexandra was invited recently to compete at a national competition but was unable to go due to our inability to provide funds for transportation and lodging), and myriad other day-to-day expenses."*

**-MONTANA EITC RECIPIENT  
AND GRANDMOTHER**

## LOOKING AHEAD

Advocates are looking to build on 2015's progress in 2017 and win passage of a state-level EITC. After years laying the groundwork – educating legislators, strengthening their coalition, and gathering data and stories – they are optimistic that a major win for working families is obtainable in 2017.

*Tax Credits for Workers and Their Families (TCWF) is a strategic communications campaign working to promote the Earned Income Tax Credit, Child Tax Credit and other tax credits at the state and federal level. We offer communications support to advocates and policymakers working to enact new tax credits or improve existing ones. Our website ([www.taxcreditsforworkersandfamilies.org](http://www.taxcreditsforworkersandfamilies.org)) provides information, resources and tools to help community-based organizations and elected officials raise awareness about these important tax credits and help working families get ahead.*

*TCWF is a non-partisan initiative led by The Hatcher Group, a national public affairs and communications firm that connects nonprofit organizations to policymakers and the media. For more information, contact Lauren Pescatore at (301) 656-0348 or [lpescatore@thehatchergroup.com](mailto:lpescatore@thehatchergroup.com).*