The original documents are located in Box 119, folder "Income Credit" of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

EARNED INCOME CREDIT

Q: Mr. President, the earned income credit included in the Tax Reduction Act for 1975 was not included in your recent tax proposals. Does this not mean that, under your proposals, taxes will actually increase for some low-income families and heads of households?

A: We are presently engaged in a comprehensive review of the many welfare programs that exist to assist low income families. The earned income credit is one of these programs and is being considered as part of that review.

As you know, the earned income credit is a payment which can be used to offset an individual's tax liabilities. Many individuals who have no tax liabilities receive the full payment. We considered it inappropriate to make the decision whenever to retain the earned income credit as part of our tax proposals.

We are not alone in this view. The tax reduction package proposed by Chairman Ullman of the Ways and Means Committee also does not include the earned income credit.

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Nation's Poor Would Lose Under Ford Tax Program

By EILEEN SHANAHAN
Special to The New York Times