



**Testimony for the
Joint Legislative Hearing on the
State Fiscal Year 2025-26 Executive Budget Proposal
Taxes**

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Children’s Defense Fund – New York (CDF-NY) thanks the chairs of the Assembly Ways and Means Committee and the Senate Finance Committee for the opportunity to submit testimony for the Joint Legislative SFY 2025-2026 Budget Hearing on Taxes.

About the Children’s Defense Fund

Children’s Defense Fund (CDF) is the only national, multi-issue advocacy organization working at the intersection of child well-being and racial justice by wielding the moral authority of programmatic proximity and community organizing to inform public policy. CDF serves and advocates for the largest, most diverse generation in America: the 74 million children and youth under the age of 18 and 30 million young adults under the age of 25, with particular attention to those living in poverty and communities of color. We partner with policymakers, aligned organizations, and funders to serve children, youth, and young adults. As the New York State office of the Children’s Defense Fund, we focus our statewide movement-building and policy work on economic mobility, health equity, child welfare and youth justice.

Expanding the Child Tax Credit to Reduce Child Poverty in New York

New York State is grappling with a severe child poverty crisis, with nearly 1 in 5 children living in poverty. In 2023, a staggering 731,672 children, over 18%, experienced poverty, ranking New York 40th in the nation for child poverty.¹ Not only does poverty prevent our children and their families from accessing necessities, but it costs New York \$60 billion, annually.² This issue disproportionately affects children of color. For example, Black, Latino, and Asian children experience poverty at rates of 27.4%, 25.4%, and 16.2%, respectively, facing much higher rates than non-Hispanic white children.³ Furthermore, Black children in New York State are twice as likely to live in poverty compared to their white peers.⁴ In a 2021 report In New York City, recent data shows that ⁵~~OBJ~~In cities like Rochester and Buffalo, nearly half of all children face the harsh realities of ⁶~~OBJ~~

¹ [2025 State of New York’s Children Data Book and Briefing | Schuyler Center](#)

² [Invest-in-NYs-Children-budget-comparison-1-2025.pdf](#)

³ [State-of-New-York-Children-2024-full-Data-Book.pdf](#)

⁴ [The Facts - NY Can End Child Poverty](#)

⁵ [Annual Report: The State of Poverty and Disadvantage in NYC Vol. 7](#)

⁶ [Nearly half of all children in Rochester live in poverty, second-highest rate in the nation | RochesterFirst](#)

Furthermore, deep-rooted systemic inequities further exacerbate this crisis. A study conducted by the National Academies of Sciences, Engineering and Medicine concluded that “income poverty itself causes negative child outcomes, especially when it begins in early childhood and/or persists through a large share of a child’s life.” ⁷

New York State has a moral and economic obligation to support its children and families by strengthening tax policies that alleviate financial hardship and reduce child poverty. While we commend Governor Hochul for proposing an expansion of the state’s Child Tax Credit in her Executive Budget, we must go further to ensure that New York’s tax system provides meaningful relief to the families that need it most.

The Governor’s current proposal to reduce child poverty raises the maximum Empire State Child Tax Credit benefit to \$1,000 per year for children under four years old, and to \$500 per year for children aged 4 to 16, phased in over two years. While this is a step in the right direction, we believe it does not go far enough to address the pronounced economic hardship faced by many of New York’s families. The Child Poverty Reduction Advisory Council (CPRAC) has set forth evidence-based recommendations to support the Governor’s goal of reducing child poverty by 50% by 2030. The Governor’s proposal to remove the earned income requirement from the credit is also a commendable step toward making the tax system more accessible to the lowest-income families. However, incorporating the following additions to the Governor’s proposal in the enacted budget would be more effective at addressing the crisis of child poverty in our communities.

Call to Action

Families across the state are struggling to afford necessities such as housing, food, healthcare, and childcare, and wages fail to keep pace with the rising cost of living. Permanently expanding and strengthening the Empire State Child Tax Credit to make it more inclusive would have a direct and immediate impact on reducing child poverty. Studies have shown that refundable tax credits are among the most effective tools for lifting families out of poverty, improving educational and health outcomes,

⁷ [The National Academies Press | A Roadmap to Reduce Child Poverty - Data Explorer](#)

and increasing long-term economic stability.⁸ By adopting these recommendations, and ensuring that they are long-lasting and permanent reforms, New York can take action to create a more equitable future for all our children.

1. Expanding the Child Tax Credit to include ALL children under the age of 18

- a. The Governor’s current proposal excludes 17-year-olds, which leaves out a significant group of children who still require financial support. CDF recommends expanding the Child Tax Credit to include all children under 18 to ensure comprehensive support for families.⁹

2. Increase the Child Tax Credit to at least \$1,500 per child

- a. The Governor’s proposed increase will not be sufficient to meet the needs of struggling families. Raising the maximum benefit to at least \$1,500 per child would provide more meaningful assistance and help families cover essential expenses, thereby reducing child poverty.¹⁰ An expansion to \$1,500 would reduce child poverty by 23% across New York State, bolstering support for all New York children.¹¹

3. Ensure the Child Tax Credit is fully refundable and indexed to inflation

- a. Ensuring all eligible families, regardless of income, receive the full benefit indexed to inflation will prevent the credit from losing value over time, maintaining its effectiveness in supporting families.

4. Pass the New York State Working Families Tax Credit

- a. To ensure that the lowest income New Yorkers are eligible and will receive a meaningful credit amount, we support and urge the passing of the Working Families Tax Credit (S.2082 Gounardes/A.3474 Hevesi).¹² This bill proposes the creation of the New York State Working Families Tax Credit, which provides a maximum credit of \$1,600 per child, adjusted for inflation, and is available to tax filers with incomes below \$25,000 (or \$50,000 if married filing jointly). The credit is paid quarterly and will provide much-

⁸ [Child Tax Credit Has a Critical Role in Helping Families Maintain Economic Stability | Center on Budget and Policy Priorities](#)

⁹ [Child Poverty Reduction Advisory Council 2024 Recommendations and Progress Report](#)

¹⁰ [Child Poverty Reduction Advisory Council Releases Recommendations - NY Can End Child Poverty](#)

¹¹ [Reducing-Child-Poverty-in-New-York-State_RNY.pdf](#)

¹² [NY State Senate Bill 2025-S2082](#)

needed relief and financial assistance to working families, while also directly reducing child poverty.¹³

Conclusion

The enactment of the Child Poverty Reduction Act and the formation of CPRAC represents significant steps toward addressing child poverty in New York State, but only if the recommendations become law. Ongoing commitment and action are essential to meet the ambitious goal of reducing child poverty by half by 2031. If CPRAC's recommendations are implemented, these policies will significantly improve outcomes for families and children while addressing racial disparities in New York State and advancing economic justice to reduce childhood poverty.

Thank you for your time and consideration. The Children's Defense Fund – New York looks forward to working with you on an enacted State budget that improves the health and well-being of children, youth and families across New York. Please contact us with any questions or concerns regarding this testimony.

¹³ [NY State Assembly Bill 2025-A3474](#)