



**Testimony of Juan Diaz**  
**Citizens' Committee for Children of New York**  
**Submitted to the New York State FY 2026 Joint Legislative Budget Hearing on Taxes**  
**February 27th, 2025**

Since 1944, Citizens' Committee for Children of New York has served as an independent, multi issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce; our priority is improving outcomes for children and families through civic engagement, research, and advocacy. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure the wellbeing of New York's children, families, and communities.

Thank you, Chair Pretlow and Chair Krueger, as well as all the Committee members for holding today's Joint Hearing and allowing us the opportunity to respond to Governor Hochul's FY26 Executive Budget.

In 2023, New York ranked 40th in the nation in terms of child poverty, with over 18% of children living below the poverty threshold. Parts of New York State experience ever higher rates of child poverty including the Bronx (35%) and Syracuse (46%).<sup>i</sup> Moreover, poverty is more pronounced in Black, Hispanic/Latino, and multi-racial families, a result of historical and systemic inequities across systems.

Poverty during childhood hinders educational attainment and economic mobility and leads to worse mental and physical health in adulthood. Research has revealed that lack of economic resources for families compromises children's ability to grow and achieve adult success, with long-term effects on their overall wellbeing.<sup>ii</sup>

Tax credits have been shown to be extremely effective tools for reducing child poverty. For instance, the enhancement of the Federal Child Tax Credit (CTC) in 2021 led to a historic reduction in child poverty, resulting in a nearly 50% reduction in child poverty nationwide and in New York State.<sup>iii</sup> In turn, the reversal of the Federal CTC in 2022 brought poverty back to pre-Covid levels.<sup>iv</sup> In recent years, states have also enhanced their local child tax credits with favorable poverty reduction outcomes. Studies have illustrated that families used the extra income to address costs like food, clothing, utilities, and credit card debt.<sup>v</sup>

**We commend Governor Hochul's proposal to temporarily increase the Empire State Child Tax Credit to \$1,000 for children under 4 years old and to \$500 for children under 17 years old, and to remove the phase-in process, which unfairly prevents very low-income households to access the full credit.** This proposal is an important step towards combatting child poverty and providing families with the resources they need to thrive. However, this proposal does not go far enough to combat New York's

unacceptably high child poverty rate. We therefore recommend the following reforms to the Empire State Child Credit:

- **Strengthen the Empire State Child Credit.** Support the Child Poverty Reduction Advisory Council (CPRAC) recommendation to permanently increase New York’s child tax credit from \$330 to \$1,500 for all children. This investment is estimated to reduce child poverty by more than 23% over the next decade.

Additionally:

- o Eliminate the minimum income requirement and phase-in that prevents the lowest income filers from receiving the full child tax credit, as proposed in the Governor’s Executive Budget.
  - o Permanently index the child tax credit enhancement to inflation.
  - o Ensure that the child tax credit enhancement includes all children under 18 years old.
  - o Include funding to conduct outreach to non-filer households that will be newly eligible for the full credit.
- **Strengthen the Earned Income Tax Credit (EITC) by increasing the credit amount for families with children and ensuring immigrant New Yorkers can access the credit.**
    - o **Adjust tax-filing requirements eligible New Yorkers with an Individual Tax Identification Number (ITIN) can file.** There are 107,000 children in households in NY State that do not qualify for EITC financial support solely because a parent files taxes using an Individual Tax Identification Number (ITIN).<sup>vi</sup>
    - o **Increase the percentage of the federal credit paid to families from 30% to 45%.**
    - o **Expand the credit for young adults without children (ages 18 through 24) who are currently ineligible for the federal or state credit**

CCC commends the work of the Child Poverty Reduction Advisory Council (CPRAC), which has developed a comprehensive roadmap for reducing child poverty by 50% over the next ten years. **We join the NYS Can End Child Poverty Coalition in urging state leaders to uplift and fund CPRAC’s full package of proposals in this year’s budget.**

Thank you for the opportunity to provide testimony and for your consideration of these recommendations.

---

<sup>i</sup> Schuyler Center for Analysis and Advocacy. State of New York’s Children databook. (2025).

<https://scaany.org/wp-content/uploads/2025/01/State-of-New-Yorks-Children-Data-Book-2025.pdf>

<sup>ii</sup> Indivar Dutta-Gupta. “The Enduring Effects of Childhood Poverty.. The Center for Law and Social Policy”. 2023. <https://www.clasp.org/blog/the-enduring-effects-of-childhood-poverty/>

---

<sup>iii</sup> Wilson, D., Collyer, S., Hardy, B., and Wimer, C. State-Level Poverty Impacts of the Child Tax Credit in 2021. Poverty and Social Policy Fact Sheet. 2023. <https://povertycenter.columbia.edu/publication/2023/state-level-impacts-of-2021-child-tax-credit>

<sup>iv</sup> Center on Budget and Policy Priorities. Record Rise in Poverty Highlights Importance of Child Tax Credit; Health Coverage Marks a High Point Before Pandemic Safeguards Ended. September 2023. <https://www.cbpp.org/press/statements/record-rise-in-poverty-highlights-importance-of-child-tax-credit-health-coverage>

<sup>v</sup> Educational Alliance Settlement House American Rescue Plan Impact Study: Wave 1 Report. (2022). <https://edalliance.org/wp-content/uploads/2022/09/SHARPImpact-Study-Wave-1-Sep-2022.pdf>

<sup>vi</sup> Wiehe, M., & Gee, L.C. Analysis: How the HEROES Act Would Reach ITIN Filers. Institute on Taxation and Economic Policy. (2020). <https://itep.org/analysis-how-the-heroes-act-would-reach-itin-filers/>