



**Testimony of Rebecca Charles
Policy & Advocacy Associate
Citizens' Committee for Children of New York**

**Provided to the New York Assembly and the New York State Senate
Joint Legislative Hearing on Taxes
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I would like to thank Chair Weinstein, Chair Krueger, and all members of the Assembly and State Senate Committees for holding today's hearing on tax proposals in the Governor's Executive Budget for State Fiscal Year 2023. Citizens' Committee for Children of New York is a 76-year-old independent, multi-issue child advocacy organization dedicated to ensuring that 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. We document the facts, engage and mobilize New Yorkers, and advocate for policy, budget, and legislative solutions that improve child and family wellbeing.

The need to address child poverty is more urgent than ever before. As a result of COVID-19, 325,000 New York children were pushed into or near poverty between March and July 2020, in addition to the 712,000 children who lived in poverty prior to the pandemic.¹ In New York State, poverty rates for Black children are more than double that of white children, and rates for Hispanic children are nearly triple that of white children.² The pandemic has only deepened racial disparities for low-income New Yorkers.

The expanded federal Child Tax Credit, one of the most effective anti-poverty efforts to date, lifted millions of children out of poverty through monthly payments to families.³ However, not all children qualified for the credit, including those children without a Social Security number, who make up 72,000 of New York's children.⁴ Furthermore, because Build Back Better failed to pass by the end of 2021, the enhanced credit and monthly payments that families relied on expired in January 2022.

¹ Brundage, S., Ramos-Callen, K. (September 2020). COVID-19 Ripple Effect Impact of COVID-19 on Children in New York State. *United Hospital Fund*. Retrieved from: <https://uhfnyc.org/publications/publication/covid-19-ripple-effect-impact-covid-19-children-new-york-state/>

² A Roadmap to Reducing Child Poverty. *National Academy of Sciences, Engineering, and Medicine*. Retrieved from: <https://www.nap.edu/child-poverty/highlights.html>

³ Curran, M. (December 2021). "Research Roundup of the Expanded Child Tax Credit: The First Six Months." *Center on Poverty and Social Policy*. Retrieved from: <https://www.povertycenter.columbia.edu/publication/child-tax-credit/research-roundup>

⁴ State-Level Unauthorized Population and Eligible-to-Naturalize Estimates. *Center for Migration Studies*. Retrieved from: <http://data.cmsny.org/>

Given the overwhelmingly positive impacts of the expanded federal tax credit on child poverty, **we urge New York to expand and enhance the Empire State Child Credit by including language from A3146A/S5866 in the enacted budget that would:**

- **Expand the credit to cover all children under the age of 18**
- **Enhance the credit to \$1000 for children under four and \$500 for children four years and older**

Governor Hochul’s proposed Executive Budget includes no reforms to the Empire State Child credit. The state credit currently acts as a supplement to the federal Child Tax Credit, providing a maximum of \$330 per child to qualifying families, but only \$100 per child to the lowest earning families who qualify. Unlike the federal program, the New York child credit covers children without Social Security numbers. However, the credit fails to cover children under the age of four and children who are 17 years old, excluding millions of New Yorkers. Children under the age of four are especially harmed by this exclusion, as they are most likely to live in poverty and need the most support. Research shows that permanently increasing the Empire State child credit and expanding it to all children under 18 would have countless positive economic, health, and societal impacts that would more than outweigh the estimated cost of the program.⁵ **It is critical that the Empire State Child Credit be expanded to include all children under the age of 18.**

The state legislature must also prioritize funding for an enhanced child credit that provides \$1,000 for children under four and \$500 for children four and older. It has been years since the state credit was last enhanced, and the current credit amounts no longer provide adequate relief for families, especially amidst an economic crisis. Furthermore, the current gradual phase-in system prevents lower-income families from receiving the maximum state credit, and families with annual incomes below \$3,000 are excluded from the credit all together. Households with children have struggled the most with economic recovery in New York, and our state must enhance supports for low-income families in particular. **The enhanced child credit must be made available in full to all New York families and must not exclude the lowest earning households.**

Conclusion

In sum, the COVID-19 crisis has drawn attention to vast social-economic inequalities and disparities that have been exacerbated among families, especially low-income and immigrant New Yorkers. There is ample evidence of the positive impacts of direct cash relief on child poverty. The Empire State Child Credit is long overdue for reform, and state lawmakers can do so in this year’s enacted budget by prioritizing the dire needs of New York’s children and families. By expanding and enhancing the Empire State Child Credit, all families, regardless of income or immigration status, would receive a credit that better reflects the true cost of raising children in our current economy. We urge you to prioritize the economic empowerment of children and families in this year’s budget. Thank you for this opportunity to provide testimony.

⁵ Garfinkle, I. Sariscany, L., Ananat, E. Collyer, S. Wimer, C. (March 2021). The Costs and Benefits of Expanding the Empire State Child Tax Credit. *Center on Poverty and Social Policy*. Retrieved from: <https://www.povertycenter.columbia.edu/publication/202021/child-allowance/cost-benefit-analysis-new-york-city>