



NEW YORK STATE SENATOR Jeremy Cooney

EMPIRE STATE CHILD TAX CREDIT

BACKGROUND

The current New York State Empire Child Tax Credit is a minimum of \$100 and a max of \$330 per child per year ages 4 through 16. The current federal Child Tax Credit is \$2,000 per child 16 or younger, phasing down by \$50 every \$1000 above the income threshold (\$200,000 for single or head of household, \$400,000 for married filing jointly).

The American Rescue Plan of 2021 temporarily expanded the federal credit:

1. Allowing 17 year old children to qualify,
2. Increasing the credit to \$3,000 per child (\$3,600 per child under age 6),
3. Making the credit fully refundable for families who lived in the U.S. for more than six months during 2021 and removing the \$2,500 earnings floor
4. Requiring half of the credit to be paid in advance, by having the IRS send monthly payments to families from July 2021 to December 2021.

Congress allowed these expansions to expire in 2022.

New York State, in the FY 23-24 Budget, provided for a one-time supplemental Child Tax Credit, calculated based on each taxpayer's 2021 tax returns:

- 100% of the credit for households under \$10,000
- 75% for over \$10,000 but under \$25,000
- 50% for over \$25,000 but under \$50,000
- 25% for over \$50,000.



SENATOR COONEY'S PROPOSAL

NYS Senate Bill S.771

- Increases the maximum child tax credit for children 4 and older from \$330 to \$500
- Expands the credit to children under 4, with a max credit of \$1,000 per child

When fully enacted, for Monroe County alone, this bill would make an additional 20,000 children eligible for this tax credit, and would increase the benefit of the credit for approximately 45,000 children. This would result in lifting about 2,400 children out of poverty, 1,650 of whom reside in the city of Rochester. The poverty rate in the city of Rochester would decrease from 48 to 44 percent.

CURRENT STATUS

The One-House Budgets of the Senate and Assembly included expansion of the tax credit to children aged 0-3 but did not include increased allotments included in Senator Cooney's bill.

The time is now to move beyond half measures and fully implement the provisions included in S.771, budgets are a reflection of priorities, and this budget must leave no doubt that New York's children are a top priority.