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New Data: Almost 340K Children Deprived of Full NY Child Tax Credit Due To Outmoded Income Tests

The Working Families Tax Credit Bill Would Provide Families Up To \$1,500 per Child

New York, New York - New data from the Institute on Taxation and Economic Policy (ITEP) found that nearly 340,000 children are in families excluded from receiving the full benefits of the state's Empire State Child Credit (ESCC) due to outmoded and punitive income tests. The new data comes after the Senate and Assembly released their budget proposals last week which included recommendations to make sure children *under 4* are included in the ESCC and ITIN filers can access the New York State Earned Income Tax Credit (EITC). But these budget proposals still leave out thousands of the very lowest-income kids in the state. The Working Families Tax Credit bill (Gounardes/Cooney S277, Hevesi A4022) would do this and more: critically removing the harmful income tests so the child credit can deliver on the promise of helping families meet their basic needs --especially families of color.

These punitive income requirements are antithetical to the poverty-reduction goals of the Empire State Child Credit. Many parents or caregivers of children are unable to bring in income or work traditional jobs due to a variety of factors, such as grandparents acting as the primary caregiver and parents with disabilities. Specifically, the data from ITEP show nearly 340,000 of the very lowest-income kids in New York are in households denied the full credit because their parents or caregivers earn too little or they don't have enough federal tax liability. Of the children who are excluded from the federal credit –on which the current state credit is based –Black and Latino children are disproportionately harmed by earnings requirements that exclude the poorest families. [According to ITEP data](#), 48% of Black children and 46% of Latinx children are excluded from the full federal credit because of the earnings requirement and lack of full refundability.

Dylan Grundman O'Neil, Senior State Policy Analyst at ITEP said, "The Empire State Child Credit is an important tool for lawmakers to boost low-and middle-income New Yorkers' economic security and reduce poverty. The New York Working Families Tax Credit would improve it by eliminating the phase-in and allow

children from the lowest income families, who have the most to gain from the income boost the credit provides, to receive its full value.”

"No New York family should ever have to choose between paying their bills or feeding their children. At a time when New York is facing soaring inflation and an affordability crisis, our lowest-income families need help. The Working Families Tax Credit will simultaneously expand access to that help for immigrant workers, and provide more families with young children the resources they need to thrive," said **Liza Schwartzwald, Senior Manager of Economic Justice and Family Empowerment at the New York Immigration Coalition**. "It is well past time that New York closes the enormous gaps in current tax credits for workers and caregivers, and includes those families who need it the most."

[National polling](#) on the topic of making the credit fully available to all of the lowest-income households shows that parents across both party lines agree – by a margin of two to one – that all families should be eligible for a full child benefit, regardless of their work status. Republicans without a college degree support it 52% to 29%.

The proposed Working Families Tax Credit (Gounardes/Cooney S277, Hevesi A4022) would eliminate the income requirement; broaden eligibility to kids of all ages (currently, children under age four are excluded); and increase the credit to as much as \$1,500 per child. Eligible families with one to three children will receive on average \$1,090 more than they currently do in New York state tax credits.

The Working Families Tax Credit, which the right-of-center Niskanen Center recently called the "boldest reform yet," would combine the state EITC and Empire State Child Credit to give increased support to families with children under 18.

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