

MAY 2023

Illinois Families Deserve a Child Tax Credit

The Illinois Cost-of-Living Refund Coalition's 2023 proposal

Families Need A CTC

PROBLEM: Every day it seems that there is less money in the bank. Families are feeling the strain of inflation in food prices, gas prices, and housing. Most costs are the highest they've been in 40 years. *Illinois families deserve relief.*

SOLUTION: **Creating an Illinois Child Tax Credit (CTC) is the most immediate, meaningful and direct tool to help Illinois families with the rising costs of living.**

A Policy with Values

The 40+ organizations in the Illinois Cost-of-Living Refund Coalition identified four non-negotiable core values that must be present in any form of a statewide Child Tax Credit:

- **REFUNDABILITY:** The lowest earners should benefit the most, and refundability guarantees that those who are too poor to pay State income taxes still can benefit.

- **PER-CHILD BENEFITS FOR ALL CHILDREN:** Means-tested programming punishes large families with benefits caps and is often discriminatory in application. A program for all children can be grown in future years as funding allows.
- **PHASING OUT BENEFITS:** Scaling out the Child Tax Credit, as opposed to a strict eligibility cliff, prevents households from getting stuck in gaps without coverage, or left worse off for taking a pay increase.
- **ACCESSIBILITY:** The program must be accessible for households who are often pushed out of other tax benefits, including households that: file taxes with ITIN numbers; care for permanently disabled children, are unhoused or facing housing challenges.

Impact to the State

A [systematic review](#) of cost-benefits analyses conducted on CTC programs nationwide by Cambridge University shows the long-term impact of a CTC on the State's bottom line: **every \$1 spent on a refundable credit would save Illinois taxpayers \$10 in State costs.**

A CTC would increase children's economic and educational outcomes, improve healthcare outcomes, and increase public safety - all critical to reducing strain on State resources.

The CTC's long-term effects are built on the foundation of immediate returns through increasing local economic activity. Federal data shows 80-90% of the CTC is spent **immediately** and **locally** to buy goods and services. All told, State spending on a CTC results in a 2.5x multiplier for local spending - for our \$300 million proposal, that's \$750 million in local stimulus, something downtowns across the State will need as we face uncertain economic conditions.

A \$300 per-child credit for half of Illinois' children, based on the Core Values of the coalition, is a step in the right direction to help Illinois families put food on the table and meet basic needs.

It's time to make the Illinois tax code work for families, not work against them.

Supporters for a State CTC

Illinois Cost-of-Living Refund Coalition
Members include:

Age Guide
AARP Illinois
Caring Across Generations
The Chicago Community Trust
Chicago Jobs Council
Chicago Urban League
Chicago Votes
Children's Advocates for Change
Children's Home and Aid
Community Organizing and Family Issues
Economic Security for Illinois
Economic Security Project
Equity and Transformation
Grassroots Collaborative
Heartland Alliance
Hispanic Federation
Illinois Action for Children
Illinois Coalition for Immigrant and Refugee Rights
Illinois Families for Public Schools
Illinois Nurses Association
Illinois Public Interest Research Group
Latino Policy Forum
League of Women Voters of Illinois
LIFT- Chicago
Metropolitan Planning Council
New America Chicago
Parents Organizing to Win Educate and Renew - Policy Action Council Illinois
Raise The Floor Alliance
Service Employees International Union - Healthcare (SEIU-HCII)
Service Employees International Union - Local 1 (SEIU-1)
Service Employees International Union - Local 73 (SEIU-73)
Shriver Center on Poverty Law
Small Business Majority
Stand for Children: Illinois
Start Early
United Food & Commercial Workers - Local 881 (UFCW - 881)
United Way of Illinois
United Way of Metropolitan Chicago
UpTogether (Family Independence Initiative Chicago)
Warehouse Workers for Justice
Women Employed
Woodstock Institute
Worker Center for Racial Justice
Young Invincibles