

Written Testimony: Honorable Rosa L. DeLauro

Finance, Revenue and Bonding Committee

Public Hearing

March 24, 2021

I want to thank the Connecticut General Assembly Finance, Revenue and Bonding Committee for allowing me to provide testimony on the record for today's Public Hearing on establishing a Child Tax Credit. I appreciate this opportunity to illustrate the importance of Child Tax Credit for Connecticut children and their families.

I am the first-generation daughter of Italian immigrants. My mother worked behind a sewing machine in the sweatshops of New Haven, Connecticut. My dad sold insurance. Both my parents made the work of their lives helping other immigrants and helping ease their struggles—with an unfamiliar language, jobs, housing. I was a girl when my family was evicted, and we arrived to see all of our belongings on the street. We moved in with my grandmother. At our kitchen table, I learned about the importance of raising your voice for change, and working for the middle class and all those struggling to get by and get ahead. I also learned never to give up.

Important lessons for anyone, but especially for me and especially as a Member of Congress in this moment. Eighteen years —almost to the day—after I first introduced the expanded Child Tax Credit, both the Senate and the House have passed it as part of President Biden's COVID relief package. My work on the Child Tax Credit is rooted in my desire to harness the power of the federal government to provide for the least among us. Through nutrition, child care, health care, the social safety net, or our tax code—this is about families and how we make their lives better and how we expand opportunity for their kids. The Child Tax Credit is a historic opportunity to offer a lifeline to the middle class and cuts child poverty.

Nationally, I have worked to create a child allowance since 2003 by making the Child Tax Credit fully refundable. In each of the last 10 Congresses, I have introduced legislation to expand the Child Tax Credit because if we provide children and their families with additional payments throughout the year, this would help with costs throughout the year – food, childcare, diapers, healthcare, clothing, and more. What was once considered an “out there” proposal started to gain steam following the 2019 study from the National Academy of Sciences (“A Roadmap to Reducing Child Poverty”) found that making the Child Tax Credit fully refundable could help reduce child poverty by 50 percent in the next decade (in combination with other anti-poverty measures).

The American Family Act that I have introduced with Congresswoman Suzan DelBene (WA) and Congressman Ritchie Torres (NY) and Senators Michael Bennet (CO), Sherrod Brown (OH), and Cory Booker (NJ) makes the entire child tax credit fully refundable—not linked to income—permanently. By doing so, we ensure that we are making this tax credit available to those Americans who earn too little to get the full credit—the current law leaves twenty-six percent of children in Connecticut ineligible for the full benefit because their parents earn too little. Poor,

working, and middle class families—90 percent of all kids—will all get the same monthly payments, unless their parents opt for annual benefits.

We are also increasing the value of the existing tax credit which helps all these families become more secure and face expenses and taxes that build up raising a family. Poor, working, and middle class families would receive \$300 per-month, per-child (\$3,600/year) for children under six years of age and \$250 per-month, per-child (\$3,000/year) for children between the ages of six and 17. For these families, the child benefit is increased to \$3,600 or \$3,000 (depending on the age of the child) from what is now a \$2,000 credit for all children, except those in the wealthiest families. Under current law, once a child turns 17, they are no longer eligible for the Child Tax Credit. By increasing the value and making the federal Child Tax Credit fully refundable, we will be able to cut child poverty nearly in half (45 percent).¹

With a partner in the White House in President Joe Biden and Kamala Harris making history as Vice President, we have achieved this for one year through the American Rescue Plan Act, which is why I am pushing to make the expansion and improvement permanent. Right now, we have more than 97,000 children in Connecticut living in poverty, nearly all of whom are left behind from the current Child Tax Credit. As a result, the American Rescue Plan will reduce child poverty in our state by 31.4 percent, and deep child poverty by 49.1 percent.² While these numbers are staggering, there is more that needs to be done to eradicate child poverty and provide a lifeline to poor, working, and middle class families. A state Child Tax Credit like the one being discussed today is critical to achieving these goals.

An extra \$1,800 combined with a permanent Child Tax Credit of \$3,000 or \$3,600 would ensure families in Connecticut have an extra \$4,800 to \$5,400 a year, which would go further to help the children in our state. We have real solutions to improving the lives of children in Connecticut, and this critical legislation would have a transformative impact.

¹ <https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/600f2123fdfa730101a4426a/1611604260458/Poverty-Reduction-Analysis-American-Family-Act-CPSP-2020.pdf>

² *Id.*