



Include Empire State Child Tax Credit in NYS Budget

Include in NYS 2021-22 Budget: S.5866 (Cooney)/A.3146-A (Hevesi) to ensure all of NY's low-income children receive some cash support through the Empire State Child Credit

- S.5866 (Cooney)/A.3146-A (Hevesi) would:
 - Immediately expand New York's child tax credit to provide children in low-income families left out of the American Rescue Plan a credit of \$1,000 for younger children (under four years of age) and \$500 for older children (4-17); and
 - Apply and make permanent this expansion to all New York children, should the American Rescue Plan's child tax credit enhancement lapse.
- The [American Rescue Plan Act \(ARPA\)](#), signed into law March 11, 2021 is arguably the most consequential investment in the nation's children in a generation, expected to [significantly reduce child poverty](#) in New York, and across the nation in the coming year.
- The need for relief is extraordinary: in [New York](#) alone, prior to the pandemic, over 2 million New Yorkers, including **712,000 children**, lived in poverty. By July 2020, the economic downturn had pushed 325,000 additional New York children into/near poverty. Due to structural and systemic racism, child poverty among NYS children of color approaches 30% and Black children are over 2X as likely to live in poverty than non-Hispanic white peers.
- One policy contained in the American Rescue Plan that will move the needle decisively on child poverty is the bill's dramatic expansion of the federal **Child Tax Credit**. It increases the maximum credit from \$2,000 to \$3,600 for young children and \$3,000 for older children; makes the credit fully refundable, so children in the lowest income families can receive the maximum credit; and removes the lower income threshold, so families with little or no income will qualify. These are transformational reforms.
- **Unfortunately, the American Rescue Plan's enhanced Child Tax Credit leaves out immigrant children without a Social Security Number.** These children include immigrants who arrived without authorization: Dreamers who did not receive DACA, children of essential workers. That is an estimated **72,000 of our New York children left behind with more than 9,000 under the age of five.** These same families were cut out of the first round of stimulus checks, and the current one, along with many other family supports. The other shortcoming of the federal child tax credit expansion: it lasts just one year.

- **S.5866/A.3146-A** is narrowly targeted this year to reach only those NY children left behind by the ARPA – given NY’s fiscal challenges. Many who would receive the credit will be children whose parents may benefit from the Excluded Workers’ Fund. Together, these two NYS programs may serve as a lifeline for these families as they seek to recover from the impacts of the pandemic. **Of special note: this bill would provide the most robust credit to the families left out of ARPA with children under the age of four because these babies and toddlers are also completely left out of New York’s child tax credit.**
- If and when the ARPA’s enhanced child tax credit expires, this law will fill in longstanding flaws in the Empire State Child Credit. It would once and for all close the State’s inexplicable exclusion of young children (under age 4) from the credit. It would also permanently make the State credit available to families with little or no income, and continue to offer the credit to children without Social Security numbers (a longstanding strength of New York’s child tax credit).