Ending Child Poverty in New York:
Senator Gounardes, Senator Cooney, and Assemblymember Hevesi to Unveil Bill Reinstating Child Tax Credit in New York State

New York State Working Families Tax Credit bill would reinstate child tax credit benefits, reduce child poverty by up to 19% across the state

Albany, NY — On Thursday, New York State Senators Andrew Gounardes and Jeremy Cooney, alongside Assemblymember Andrew Hevesi, introduced the New York State Working Families Tax Credit (NYS WFTC). The legislation addresses the federal government’s failure to renew the incredibly successful expanded child tax credit, which successfully lifted 2.9m children out of poverty and drove the national rate of child poverty to a record low in 2021. The proposed WFTC will streamline the state Earned Income Tax Credit (EITC) and Empire State Child Tax Credit (CTC) to give increased support to working families with children under 18, while lessening the additional cost to the state.

It is estimated that the NYS WFTC will result in a 13.4% reduction in children under the age of 18 living in poverty, with a 19.6% reduction for those under 18 living in deep poverty.1

Additionally, attending the event were New York City Comptroller Brad Lander and Councilmember Shahana Hanif, as well as representatives from The Children’s Defense Fund – New York, New York City Family Policy Project, The Education Trust–New York, New York Immigration Coalition, The Children’s Agenda, Citizens’ Committee for Children of New York, Fifth Avenue Committee, United Neighborhood Houses, LSA Family Health Service, The Literacy Assistance Project, Empire Justice Center, Robinhood, and more.

“The Working Families Tax Credit will materially improve the lives of New York’s children, plain and simple,” said State Senator Andrew Gounardes. “It will mean families can put food on their tables, afford new school shoes, and heat their homes. Providing New York’s working families with direct quarterly payments will be a game changer for children across the state, from Brooklyn to Buffalo.”

“When it comes to poverty relief, New York must lead,” said State Senator Jeremy Cooney. “New York is one of the most financially successful states in the nation and it’s unacceptable that

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1 Analysis conducted by the Center on Poverty & Social Policy at Columbia University
6 Upstate cities rank in the top 10 for highest concentration of childhood poverty, including my hometown of Rochester. I am proud to be part of a statewide coalition that understands we must act in the absence of federal intervention and pass the NYS Working Families Tax Credit this year. With shortages in affordable housing, rising utility rates, and a bitter cold winter ahead—the stakes are too high to wait."

"We know what works, the expanded child tax credit lifted 2.9 million children out of poverty, however the federal government has failed to renew this program. Our state must act to fill that void and continue to provide New Yorkers with this lifechanging support,” said Assemblyman Andrew Hevesi, Chair of the Children and Families Committee. “I am proud to have introduced the Working Families Tax Credit which will go even further than the lapsed federal program by including children aged 0-4, increasing the maximum credit per child, and will include all families regardless of citizenship status. I thank my partners in the Senate, Senators Gounardes and Cooney and look forward to fighting alongside them to get this crucial measure passed and deliver for struggling New Yorkers.”

“The new Working Families Tax Credit would secure the futures of families left behind when the federal government failed to renew the successful Child Tax Credit, expanding our youngest New Yorkers’ economic security regardless of immigration status,” said New York City Comptroller Brad Lander. “With ballooning inflation and soaring housing costs, this legislation would be a gamechanger for families facing financial uncertainty. When we build an inclusive city and state where working families can support their children without worry, everyone thrives.”

“The new Working Families Tax Credit will simultaneously expand access for immigrant workers and provide families with young children with 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, finally including parents of 0-4 year olds and immigrant workers who had been heartlessly shut out in the past.""
The NYS WFTC fills many of the gaps of the current state EITC and CTC, such as:

- Including children 0 - 4 years of age
- Including families regardless of citizenship status
- Eliminating the phase-in, allowing those with the lowest income to receive the largest credit

This new proposal also increases the credit provided to all families by:

- Increasing the maximum credit to $1,500 per child
- Providing a $500 credit per child regardless of income
- Eliminating the cap on the number of children eligible to receive a credit

Additionally, the new NYS WFTC will be paid out quarterly, providing families with 4 payments per year instead of 1 lump sum annually.

With the new system, families with 1-3 children will receive on average $1,090 more than they currently do. Those without children who qualify for the state EITC will continue to receive that benefit.

The new tax credit system will cost approximately $2 billion, but the benefits are numerous. It is estimated that the NYS WFTC will result in a 13.4% reduction in children under the age of 18 living in poverty, with a 19.6% reduction for those under 18 living in deep poverty. It will also lead to increased educational attainment and employment opportunities for these children, benefitting not only those individuals but their communities and the state at large.

“Data shows that equitably-structured, generous refundable tax credits are an effective way to reduce child poverty and improve child and family outcomes in all aspects of their lives: education, health, and child welfare,” said Kate Breslin, President and CEO of the Schuyler Center for Analysis and Advocacy. “The Working Family Tax Credit proposes to bring just such a credit to New York State. Inflation is striking a hard blow to low- and middle-income families with children who spend a high proportion of their household income on food, gas, rent, and heat, and New York families need economic support now. For 150 years, Schuyler Center for Analysis and Advocacy has been advancing equitable and effective policies proven to improve child and family well-being; we applaud and support this bill.”

“Child poverty represents an urgent – and completely preventable – crisis in New York. One in five of the youngest New Yorkers live in poverty, with Black and Latinx children more than twice as likely as white children to live in poverty in our State. This represents an economic and
moral failure as well as a grave racial injustice,” said Kercena A. Dozier, Executive Director of the Children’s Defense Fund – New York. “By streamlining our State’s Earned Income Tax Credit and Empire State Child Credit, the Working Families Tax Credit will provide New York children and families with much needed support at a time when our most marginalized families continue to struggle to afford the rising cost of living. The Children’s Defense Fund – New York applauds Senator Gounardes, Senator Cooney and Assemblymember Hevesi for continuing to advocate for the wellbeing and economic security of New York’s children and families.”

“The Working Families Tax Credit will bring essential economic relief to New York Families,” said Nora McCarthy, Co-Founder of the NYC Family Policy Project. “In the pandemic, we saw the benefits of expanded cash assistance: a drop in family stress and anxiety, and far less child welfare involvement. Too many families struggle to meet basic needs. This quarterly Tax Credit is a crucial investment in healthy families and flourishing communities.”

“New York State is home to cities with some of the highest child poverty rates in the nation, with a disproportionate amount of Black, Latinx and immigrant children carrying the burden,” said Dia Bryant, executive director of The Education Trust–New York. “The Working Families Tax Credit will reach New Yorkers who have been left out of the current Empire Child Credit and increase access to the resources and supports needed to provide economic security and stability to families who have been hard hit by recent inflation and rising housing costs. Economic security is critical during the early years of child development because it helps to ensure that infants and toddlers have access to quality housing, nutritious foods and high-quality child care. It’s time for New York to ease the financial uncertainty that far too many families face in our state. We are eager to continue working with our partners and elected officials to ensure that our youngest New Yorkers have what they need to become healthy, productive, and successful adults. Our future depends on it.”

“The fact that nearly one out of every two children in Rochester live in poverty today, among the highest child poverty rates in the country, is due to current policy choices,” said Larry Marx, CEO of The Children’s Agenda. “Senator Cooney, Senator Gounardes, and Assemblymember Hevesi are demonstrating the kind of leadership we need to make a different choice for New York's children. This innovative proposal would lift tens of thousands of children across New York State out of poverty, and provide greater economic security to millions of New Yorkers. New York State should act upon this bold proposal this year. Our state’s children cannot afford to wait another year for a brighter future.”

“New York State and New Yorkers find themselves at a critical juncture in pandemic recovery efforts,” said Jennifer March, Ph.D., Executive Director, Citizens’ Committee for Children of New York. “With census pulse survey data illustrating the disproportionate impact of job and income loss on women of color and immigrant-led households, affecting individuals and families, and exacerbating poverty. In the face of this sobering reality, we have a collective
opportunity to explore innovative approaches that lift incomes, reduce poverty, and in doing so, dramatically improve child, family, and individual well-being.”

“We at FAC cannot overstate the importance of the NYS Working Families Tax Credit to support the thousands of working-class families that we serve,” said Michelle de la Uz, Executive Director of Fifth Avenue Committee. “We join State Senators Gounardes, Cooney, Assemblymember Hevesi, the NYIC and our fellow advocates in calling for the implementation of this credit. It is unconscionable that needy families with the youngest children, who are often the workers our society relies on the most - as the pandemic has made clear - have been left out of this benefit. It is time we recognize the value of immigrant families in our state, our workforce and our economy. The WFTC is an important step in that direction. One that would ensure that NY continues to be a moral and economic leader in the country.”

“During these times of unprecedented inflation and continued economic struggle, UNH is pleased to support the announcement of the Working Families Tax Credit,” said Susan Stamler, Executive Director of United Neighborhood Houses. “Our Settlement House American Rescue Plan (SHARP) report has demonstrated the value of the expanded federal Child Tax Credit (CTC) to help settlement house families meet their basic needs. As the federal CTC did for so many families, the Working Families Tax Credit has the potential to alleviate hardship and strengthen the economic security for New York State's families. Thank you to Senators Gounardes and Cooney and Assemblymember Hevesi for leading the effort.”

“The Working Families Tax Credit will make such a big difference to our families with young children,” said Ray Lopez, Chief Program Officer at LSA Family Health Service. “New parents need to cover so many additional costs, including diapers and baby formula, and yet they have been cut out of accessing the Empire State Child Tax Credit when they need it most. We are thankful Senators Gounardes and Cooney are fighting for our families to get the support they need when they need it. New York State must step up and make sure our youngest New Yorkers have what they need.”

“During the pandemic, immigrant workers were the driving force sustaining New York City,” said Ira Yankwitt, Executive Director of the Literacy Assistance Project. "Yet in a state with over a hundred billionaires, working class New Yorkers are still unable to make ends meet. Many of these parents attend our adult literacy classes, work full-time, and struggle to support their families as the cost of living across the state has increased. The Working Families Tax Credit will fill a critical gap by providing working class families with some of the additional resources they need and deserve.”

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