The New York State American Academy of Pediatrics, representing more than 5,000 pediatricians across the state supports passage of S.277-A / A.4022-A creating the New York State Working Families Tax Credit.

New York’s child poverty rate is persistently higher than the national average. And the cavern between the richest and the poorest New Yorkers is becoming deeper and deeper.

Today, more than one in five children across our state is living in a family that is struggling to meet basic needs. And our youngest children are the poorest New Yorkers!

With the elimination of the federal Refundable Child Tax Credit, hundreds of thousands of children from Eastern Long Island to Buffalo fell back into poverty. Their families once again found it hard to buy healthy foods for family meals. Families struggled to keep their housing. And despite working hard, often at two or even three jobs, families were finding their buying power shrinking in the face of inflation. This worsening economic scenario for our most vulnerable children and families makes it essential for New York to prioritize policies proven to reduce child poverty now!

The WFTC proposed by S. 277A/A. 4022A directly addresses the current economic challenges facing millions of families across our 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.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings most especially by including children 0-4 in the tax benefit equation. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits. In addition,
WFTC will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). The WFTC will be paid out in four increments throughout the year.

We urge you to move this legislation forward as quickly as possible. Our children and their hardworking families depend on you to understand the depth of the challenges they are facing and help them create and maintain the stable and nurturing homes they want, and we all want for our families. Addressing child poverty is a priority if we want a healthy, educated, and productive New York. Passing this bill will be a giant step forward in addressing child poverty in New York.

Contact:

Elie Ward, MSW
Director of Policy & Advocacy
NYS American Academy of Pediatrics
eswabc@gmail.com
The Alliance for Quality Education supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

The Alliance for Quality Education is a coalition mobilizing communities across the state to keep NY true to its promise of ensuring a high quality public education to all students regardless of zip code. Combining its legislative and policy expertise with grassroots organizing, AQE advances proven-to-work strategies that lead to student success and ultimately create a powerful public demand for a high quality education.

AQE is deeply invested in ensuring the well being of children and families and that starts with families having enough to live and enough tools to be able to thrive. For these reasons, we strongly support the Working Families Tax Credit.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty. With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.

February 2023

1 Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)
2 Center on Poverty & Social Policy at Columbia University. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy
3 Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.
4 Analysis conducted by the Center on Poverty & Social Policy at Columbia University
Astor Services supports and respectfully urges the passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

Astor Services is a community-based non-profit organization that provides children’s mental health services, child welfare services, and early childhood development services. Astor serves children and families in New York State’s Mid-Hudson Valley region and the Bronx.

Astor Services is committed to supporting families to ensure each child has a healthy and happy childhood.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.

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1. [Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)]
2. [Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy]
3. Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.
4. Analysis conducted by the Center on Poverty & Social Policy at Columbia University.
Memorandum in Support of S.277A / A.4022A: The Working Families Tax Credit

An Act to amend the tax law, in relation to a New York State Working Families Tax Credit

February 17, 2023

The Children’s Defense Fund – New York (CDF-NY) strongly supports and respectfully urges passage of S. 277A (Gounardes) / A.4022A (Hevesi), which would combine and strengthen the Empire State Child Credit (ESCC) and State Earned Income Tax Credit (EITC) to create one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive through the WFTC would either be greater or equal to the total of the two individual credits. For the lowest income New Yorkers and many immigrant New Yorkers, their credit amount would be significantly greater under the WFTC.

The WFTC builds upon the strengths of New York’s ESCC and EITC and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC plus the ESCC for all children in the household including young children under the age of four, who are presently excluded from the ESCC. The WFTC would also allow New York families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits. It would also be available to immigrant tax-filers with Individual Tax Identification Numbers (ITINs) in the same manner as filers with Social Security Numbers (SSNs), which is currently the case with the ESCC but not with the EITC. Finally, the WFTC would be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationwide by 46 percent. Since the federal CTC expansion ended in 2022, 3.7 million nationwide have been plunged back into poverty. ¹

Child poverty is an urgent and preventable moral crisis in New York State that continues to do tremendous harm to New York’s most marginalized children, families and communities. Every year, through inaction, our legislators continue to allow hundreds of thousands of New York children to experience poverty, at devastating costs. A higher percentage of children live in poverty in New York than in 34 other states. Prior to the start of the COVID-19 pandemic, one in five New York children lived in poverty – that’s nearly 792,000 children. 23 percent of New York children under the age of five live in poverty – at exactly the

¹ Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy.
period in their development when they are most vulnerable to its devastating impacts. New York's 15th Congressional District, located in the Bronx, carries the highest child poverty rate of any of our nation's congressional districts. Syracuse carries the highest child poverty rate in the nation among cities with at least 100,000 people (48.4 percent), with Buffalo and Rochester also ranking within the top ten list of large U.S. cities with the highest child poverty rates. Racial disparities are pervasive in our State’s immoral child poverty crisis, with Black and Latinx children more than twice as likely as white children to live in poverty in New York. In three out of every four of our State’s counties, both Black and Latinx children are more likely to live in poverty than white children, and Black and Latinx children in Manhattan are 10 to 13 times more likely to live in poverty than white children. Asian Americans have the highest poverty rates in New York City, with Asian children 5 times more likely to live in poverty than white children in Manhattan.  

It is essential for New York legislators to prioritize policies to reduce child poverty like the robust, targeted, fully refundable WFTC. It is estimated that the WFTC will result in a 13.4 percent reduction in children under the age of 18 living in poverty, with a 19.6 percent reduction for those under 18 living in deep poverty. New York must act with urgency to enact the WFTC. The Children’s Defense Fund – New York therefore firmly supports passage of S. 277A (Gounardes) / A.4022A (Hevesi).

For more information, please contact Missy Genadri, Economic Mobility & Health Policy Associate, at mgenadri@childrensdefense.org.

The Children’s Defense Fund-New York (CDF-NY) has a unique approach to improving conditions for children, combining research, public education, policy development, direct services, and advocacy. A recognized authority in the endeavor to protect New York children and strengthen their families, CDF-NY serves as a resource and partner for children, families, communities and organizations throughout New York State.

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2 U.S. Census Bureau, American Community Survey 5-Year Detailed Estimates. To view CDF-NY’s county data profiles, please visit https://cdfny.org/county-profiles/.
3 Analysis conducted by the Columbia University Center on Poverty & Social Policy
MEMORANDUM OF SUPPORT

The Council of Family and Child Caring Agencies (COFCCA) supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

COFCCA is the principal representative for nearly all the not-for-profit organizations providing foster care, adoption, family preservation, and juvenile justice services in New York State. COFCCA is comprised of over 100 member organizations, ranging in size from small community based programs to the nation’s largest multi-services agencies — all of which share the mission of serving children and families.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.

February 2023

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Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.

Analysis conducted by the Center on Poverty & Social Policy at Columbia University
MEMORANDUM IN SUPPORT

A.4022-A (Hevesi)/S.277-A (Gounardes)

The Community Service Society of New York (CSS) SUPPORTS A.4022-A/S.277-A, legislation to create the New York State Working Families Tax Credit.

CSS has worked with and for New Yorkers since 1843 to promote economic opportunity and champion an equitable city and state through a strategic combination of data-driven research, direct services, and people-driven advocacy.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46 percent to a record low of 5.2 percent. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. It is estimated that the NYS WFTC will result in a 13.4 percent reduction in children under the age of 18 living in poverty, with a 19.6 percent reduction for those under 18 living in deep poverty.

This legislation is crucial to ensuring that New York families are not left behind at a time of rising inflation, unaffordable housing and financial uncertainty. As such, CSS urges its enactment.
February 2023

For more information, contact Debipriya Chatterjee, CSS Senior Economist, at dchatterjee@cssny.org.

1 Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)
2 Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy
3 Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.
4 Analysis conducted by the Center on Poverty & Social Policy at Columbia University
The Education Trust—NY supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

The Education Trust—NY is a statewide non-profit organization dedicated to educational equity. We work to attain educational justice through research, policy, and advocacy that results in all children – especially those who are from low-income backgrounds or students of color – achieving at high levels from early childhood through college completion.

There are more than four million children residing in New York State. Nearly one-in-five are experiencing poverty and about 40% live in low-income (below 200% of the federal poverty level) households. Children in Black, Latinx, and multi-racial families experience poverty at much higher rates than non-Hispanic, White children as a result of systemic and ongoing racism in housing, education, employment, and other systems.

The Working Families Tax Credit (WFTC) combines and strengthens two existing refundable tax credits, the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), to create the more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For those with the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have a greater poverty-reduction impact than existing credits, by adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, which contributed to a 46% reduction in child poverty nationally to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies that are proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.
As New York implements the Child Poverty Reduction Act’s commitment to halving child poverty in a decade, and turns the corner to pandemic recovery, we urge the Legislature and the Governor to pass a budget that centers children and families, prioritizes communities hit hardest by the pandemic, and uses this moment of rebuilding as an opportunity to support a greater number of children and families, especially those who are the most vulnerable and marginalized.

February 2023

1 Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)
2 Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy
3 Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.
4 Analysis conducted by the Center on Poverty & Social Policy at Columbia University
Memo of Support for S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

The Families Together 2023 Policy Agenda is created by families and young people with social, emotional, behavioral and cross-systems challenges.

To: New York State Legislators

Families Together in New York State supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

Families Together in New York State is a statewide family run organization that represents, supports and advocates for youth and families voice in policy and systems change to ensure an equitable and inclusive journey that fosters belonging, wellness, and empowerment for all.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%.[1] Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty. [2]

With New York’s child poverty rate persistently higher than the national average,[3] it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.[4]

Sincerely,

Paige A. Pierce
Paige Pierce, CEO
Families Together in New York State

[1] Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)


[3] Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.

[4] Analysis conducted by the Center on Poverty & Social Policy at Columbia University
The New York Immigration Coalition (NYIC) supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

The NYIC is an umbrella policy and advocacy organization of more than 200 multiethnic, multiracial, and multisector groups across the state working with immigrants and refugees, including many groups working to improve the financial stability of immigrant parents, families, and workers. Immigrants deserve the same right to access tax benefits and credits as other New Yorkers, and the Working Families Tax Credit will help recognize their contributions to New York State.

When New York families are given cash support in the form of refundable tax credits, they spend it on what they need. According to the Settlement House American Rescue Plan (SHARP) Impact Study, more than 90% of New York respondents spent their child tax credit funds on basic necessities such as food, clothing, rent, utilities, school supplies, or school tuition. Families with children were hit hard in December when the news came that the federal government did not renew the enhanced child tax credit. We ask that New York State step up for its families and fill the gaps left by the federal government, as it has done in the past with initiatives like the Excluded Worker’s Fund.

The Working Families Tax Credit would provide every single family in the state with a minimum of $500 per child, giving working and middle class families the necessary safety net that congress has woefully failed to provide. The Working Families Tax Credit would consolidate the state’s Empire State Child Tax Credit (ESCC) and the Earned Income Tax Credit (EITC) into one, making both credits more efficient, filling the gaps in their current versions, and increasing access and allocations for New York’s children and workers.

The need in New York is great. A Raising NY analysis found that despite consistently ranking in the top five states in the nation for its per capita income and GDP, New York has ranked in the bottom third of the entire country for its high rate of child poverty. Children ages 0-4 are completely left out of the ESCC, leaving new parents to struggle with the cost of diapers and baby formula at a time when they are most at risk of slipping into poverty. The EITC excludes many immigrant workers, who contribute $23.5B in taxes to New York’s state and local economy each year, even when they are on track to citizenship.

The Working Families Tax Credit will get money to families who need it when they need it, by providing quarterly payments to families at higher rates. It fills many of the gaps of the EITC and ESCC by including children 0 - 4 years of age, including families regardless of citizenship status, and eliminating the phase-in, providing those with the lowest income the largest credit. The new system would also increase the credit provided to all families by increasing the maximum credit to $1,500 per child, providing a
minimum $500 credit per child regardless of income, and eliminating the cap on the number of children eligible to receive a credit. In addition, the WFTC will be paid out in four increments throughout the year, providing families with the money when they need it most.

**Under the Working Families Tax Credit, New York families would, on average, receive $1,090 more than they currently get, reducing the poverty level by nearly 20% for New York's most at-risk children.** The time is now to ensure that New York families are not left behind to bear the cost of rising inflation, unaffordable housing, and financial uncertainty.

**Contact:** Liza Schwartzwald  
Senior Manager of Economic Justice and Family Empowerment  
New York Immigration Coalition  
Lschwartzwald@nyic.org
MEMO IN SUPPORT

S.277 (Gounardes) / A. 4022 (Hevesi)
AN ACT to amend the tax law, in relation to as New York State working families tax credit

Prevent Child Abuse New York supports and respectfully urges passage of S.277 / A. 4022 creating the New York State Working Families Tax Credit.

PCANY is the only private, nonprofit agency serving the entire state whose single mission is to prevent child abuse in all its forms. All of our work is centered in prevention and strengthening families. To us, “strengthening families” means decreasing parental stress, increasing the Protective Factors surrounding children, and increasing familial bonds to build resilience. Our work is rooted in a belief in families and the knowledge that, given adequate and appropriate resources, all families can thrive.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable

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1 Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)
2 Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy
3 Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.
WFTC. 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.\textsuperscript{4} We know that poverty is often misunderstood as neglect, and that families experiencing poverty are more likely to end up involved with the child welfare system. We believe that the NYS WFTC will help alleviate the stress that families feel when they are unable to provide food, clothing, or housing due to their financial circumstances, and we would hope to see fewer families impacted by child welfare.

\textsuperscript{4} Analysis conducted by the Center on Poverty & Social Policy at Columbia University
Memorandum in Support
S.277-A (Gounardes) / A.4022-A (Hevesi)

The Schuyler Center for Analysis and Advocacy supports and respectfully urges passage of S.277-A/A.4022-A creating the New York State Working Families Tax Credit. The Schuyler Center for Analysis and Advocacy is a 150-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Tax Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who currently are excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%. Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.

With New York’s child poverty rate persistently higher than the national average, it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.

The Schuyler Center for Analysis and Advocacy urges the Legislature to pass S.277-A/A.4022-A.

February 24, 2023
Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)

Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy

Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.

Analysis conducted by the Center on Poverty & Social Policy at Columbia University
Memorandum in Support
S.277A (Gounardes)/A.4022A (Hevesi)
Working Families Tax Credit

United Neighborhood Houses (UNH) supports S.277A (Gounardes)/A.4022A (Hevesi), which would create a new Working Families Tax Credit to streamline and expand two existing tax credits – the Empire State Child Credit and the Earned Income Tax Credit – into one program and provide cash assistance to New York’s neediest families.

In Fall 2022, UNH along with Educational Alliance and the National Center for Children in Poverty released the Settlement House American Rescue Plan (SHARP) Impact Study. The report surveyed 1,078 families who participate in settlement house programs in New York on the impact of the expanded federal Child Tax Credit (CTC) included in the 2021 American Rescue Plan Act, which temporarily raised the maximum credit amount of $2,000 per child to $3,600 a year for each dependent child under the age of 6 and $3,000 for each child between the ages of 6 and 17. Under the expansion, qualifying families received a portion of the credit as advance monthly cash payments of up to $300 per child under the age of 6 and up to $250 per older child aged 6 to 17 from July 2021 through December 2021. Unsurprisingly, the study found that giving cash to people in need helped: the funds provided immediate relief, and families spent the money on basic needs, including 60% who used it to pay for food, with rent, clothing, and utilities also highly-used categories. However, the survey results also showed the persistent ongoing needs that families experience in providing for their children, especially since with the expiration of the expanded federal CTC in December 2021. The report recommended that absent federal action, New York must expand the Empire State Child Credit value and expand it to ages 0-4.

The Working Families Tax Credit would replace the Empire State Child Credit by adding eligibility for families with children under age 4 and increasing the value of the credit. Currently, the state's Empire State Child Credit provides up to $330 in tax relief to income-qualifying parents for each child, so long as their children are at least four years old. This is a glaring omission: by excluding infants and toddlers, the current credit fails to support new or growing families. The Working Families Tax Credit would include eligibility for families with children under age 4, and increase the value of the credit on a sliding scale based on income and number of children to between $500 and $1500 per child, with the lowest-income families receiving the largest credit. UNH estimates that roughly 368,000 children under the age of four would be newly eligible for the Credit through this expansion.

In addition, the Working Families Tax Credit would replace the Earned Income Tax Credit. Currently, only U.S. citizens who file their taxes in New York are eligible for this crucial income support, thus excluding hundreds of thousands of New Yorkers who are not citizens but file taxes in the State and contribute to their communities. The Working Families Tax Credit would grant access for non-citizens who file tax returns in New York, ensuring that no New Yorker in need is excluded.

The SHARP report found that stable income that comes more than once a year mattered so families could reliably budget each month. The Working Families Tax Credit would grant payments to families
quarterly, rather than annually as is current practice. Because the credit value varies, three payments would be a fixed amount and the final annual payment would come after taxes are filed and adjust the final total. This credit should be created through the budget process. While it entails high costs of about $2 billion in new funds, it is expected to reduce child poverty statewide by at least 13 percent and provide wide secondary economic benefits.

Contact: Tara Klein at tklein@unhny.org

UNH is a policy and social change organization representing 46 neighborhood settlement houses that reach 765,000 New Yorkers from all walks of life. A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development.

United Way of the Greater Capital Region is a regionwide advocate, leader, and social innovator working hard to advance wellbeing on a generational scale. Through our work, we know 2.1 million children across New York state live in households struggling to afford basic needs.¹ These households included families in poverty as well as those who were ALICE: Asset Limited, Income Constrained, Employed. ALICE households don’t earn enough to afford the essentials of housing, child care, food, transportation, health care, a smartphone plan, and taxes — the basics needed to live and work in the modern economy. Almost 30% of New York state’s children live in ALICE households two parents and/or guardians working, many times multiple jobs and still struggling to make the basic survival budget.

**United Way of the Greater Capital Region believes this bill can have tremendous positive outcomes for working families across the state.** This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York’s ESCC and EITC and corrects their shortcomings. The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%.² Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.³

With New York’s child poverty rate persistently higher than the national average,⁴ it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.⁵

February 2023

PETER GANNON  
President and CEO, United Way of the Greater Capital Region


² Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)

³ Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy

⁴ Throughout the last decade, New York’s rate of child poverty has exceeded that of 29 or more states every year.

⁵ Analysis conducted by the Center on Poverty & Social Policy at Columbia University
To: Kate Breslin, Liz Schwartz, Beck White, Senator Addabbo, Senator Comrie, Senator Gounardes, Senator Krueger, Senator Murry, Senator Parker, Senatro Weber

From: Allison Lake

RE: Working Families Tax Credit

Date: February 27, 2023

Westchester Children’s Association supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

Westchester Children’s Association (WCA) is a small, 109-year-old, nonprofit agency dedicated to improving the lives of Westchester’s children by shaping policies and programs to meet their needs, and by keeping the well-being of Westchester’s children at the top of the public agenda.

WCA focuses on key issues that affect the most vulnerable young people in Westchester. We identify current needs by analyzing data, talking directly with youth and families, and working closely with public and nonprofit service providers.

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The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%.

Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.
With New York's child poverty rate persistently higher than the national average,\(^3\) it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. 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.\(^4\)

\(^{1}\) [Child Poverty Fell to Record Low 5.2% in 2021 (census.gov)](https://www.census.gov)
\(^{2}\) Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. [December Child Tax Credit kept 3.7 million children from poverty — Columbia University Center on Poverty and Social Policy](https://www.columbia.edu)
\(^{3}\) Throughout the last decade, New York's rate of child poverty has exceeded that of 29 or more states every year.
\(^{4}\) Analysis conducted by the Center on Poverty & Social Policy at Columbia University