

March 27, 2023

Hon. Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Hon. Andrea Stewart-Cousins
President and Majority Leader of the New York State Senate
State Capitol Building
Albany, NY 12247

Hon. Carl E. Heastie
Speaker of the New York State Assembly
State Capitol Building
Albany, NY 12248

Dear Governor Hochul, Senate Majority Leader Stewart Cousins and Speaker Heastie,

We write as strong supporters of the Working Families Tax Credit bill (S277A Gounardes/A4022A Hevesi). While we were not able to secure a potential framework for the full Working Families Tax Credit (WFTC) in the Senate one-house, we were pleased to see commitments to some of its strongest elements, outlined below, make it into the resolution. We now urge you to negotiate the below fixes to our state's existing Empire State Child Tax Credit (ESCC) and Earned Income Tax Credit (EITC) as part of a final FY24 budget package.

Expanding the Empire State Tax Credit to 0 - 3 year olds who are currently completely left out of the credit. [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 0-3 are completely excluded from the current 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. This critical age expansion was included in both the Senate and Assembly one-house resolutions and is estimated to cost around \$200 million.

Including ITIN filers for the first time in the Earned Income Tax Credit. 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. When one in three New York children come from a family with at least one immigrant parent, this carveout notably excludes families who deserve to be covered. The inclusion of ITIN filers was included in both the Senate and Assembly one-house resolutions and is estimated to cost around \$65 million.

However, the one-house budgets left out several critical pieces of credit reform. Most notably, **the Senate and Assembly must eliminate the phase-in for full access to the ESCC and EITC.** The regressive phase-in, which denies the full credit amount to the lowest-income taxpayers, has an outsized negative effect on our Black, Hispanic, and immigrant families. An analysis by Columbia University Center on Poverty & Social Policy found that, before the pandemic, Black and Hispanic children were 1.75 and 1.6 times, respectively, to be excluded from the Empire State Child Credit because of the income requirement than their white counterparts. Eliminating the phase-in for families with dependents aged zero to sixteen would cost \$52 million.

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, or school supplies. 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 Workers Fund.

While far short of the benefits provided by the full Working Families Tax Credit, which would combine the ESCC and EITC to provide larger credit amounts between \$500 and \$1,500 per child to all families, the abovementioned fixes to our state's existing tax credits would represent a significant down payment towards a future WFTC while helping the state meet its goal of reducing child poverty 50% by 2032. We therefore urge you to stand strong in final negotiations with the Governor to secure these three wins for working families in our state.

Best,

32BJ
Abbott House

Action for a Better Community, Inc.
Alliance for Quality Education
American Academy of Pediatrics - NYS
Astor Services
CASA of New York State
Citizens' Committee for Children
City Harvest
Children's Defense Fund - New York
Chilis on Wheels
Church Women United in New York State
Churches United for Fair Housing
COFCCA
Community Service Society of New York
Doris M Group Family Day Care, Inc.
Early Care & Learning Council
ECE on the Move
Educational Alliance
Empire Justice Center
Fifth Avenue Committee
Fiscal Policy Institute
FLPPS
Food Bank For New York City
For the Many
Forestdale, Inc.
FPWA (Federation of Protestant Welfare Agencies)
Geo's Daycare
Graham Windham
Grand Street Settlement
Grupo Family Daycare
League of Women Voters of St. Lawrence County, New York
Liftoff Western New York
Literacy Assistance Center
Mixteca
Mohawk Valley CAA
Northeast New York Coalition for Occupational Safety & Health
New York Immigration Coalition
New York State Community Action Association
New York State Council of Churches
New York Working Families Party
Northern Rivers Family of Services

NYC Coalition for Educating Families Together
NYC Health+Hospitals
Prevent Child Abuse NY
Pure Joy GFDC LLC
Riverside Language Program, Inc.
Robin Hood Foundation
Rochester Monroe Anti-Poverty Initiative
Rural Health Network of SCNY
Schenectady Community Action Program
Schuyler Center for Analysis and Advocacy
Share Our Strength
The Children's Agenda
The Education Trust–New York
The New York State CASA Association, Inc.
United Community Center of Westchester, Inc.
United Community Centers
United Neighborhood Houses
United Way of Buffalo & Erie County
United Way of Greater Rochester and the Finger Lakes
United Way Of The Greater Capital Region
United Way of Westchester and Putnam
University of Rochester Department of Pediatrics
University Settlement
UnLocal
We Are Not Afraid Community Resource Center
Westchester Children's Association
White Plains Youth Bureau
WNY Women's Foundation
Women's Housing and Economic Development Corporation (WHEDco)
Yokasta Group Family Daycare

