

Memorandum in Support
S.277B (Gounardes)/ A.4022B (Hevesi)

The Schuyler Center for Analysis and Advocacy supports and respectfully urges passage of S.277B (Gounardes)/A.4022B (Hevesi), to create the New York State Working Families Tax Credit.

The Schuyler Center for Analysis and Advocacy is a 152-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 would strengthen economic security for families, particularly those living on low incomes, by combining and strengthening the Empire State Child Tax Credit (ESCC), state Earned Income Tax Credit (EITC), and the Dependent Exemption in one refundable, more inclusive and generous Working Families Tax Credit (WFTC). For families currently eligible for the ESCC, EITC, or both, the combined credit 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.

The WFTC builds upon the strengths of New York's ESCC, EITC, and Dependent Exemption, and [corrects their shortcomings](#). The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the income phase-ins, and will be available to immigrant taxfilers with Individual Tax Identification Numbers (currently allowed under the ESCC, but not the EITC). The WFTC will be indexed to inflation and 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 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 this expansion ended in 2022, [3.7 million children](#) around the nation have been plunged back into poverty.

Far too many New York children experience poverty, and many more families struggle to make ends meet. For more than a decade, New York has hovered around 30th in the nation for child poverty. Three of the [top 10 cities](#) in the United States with the highest child poverty rates are in New York State: Syracuse, Rochester, and Buffalo. Many more families across the state live just above the poverty line, and struggle to make ends meet; [56% of New York City residents](#) (4.6 million people) had incomes below 200% of the poverty line in 2022. These New Yorkers were [twice as likely](#) to struggle to pay for food and housing than those with incomes greater than 200% of the poverty line.

In 2021, the New York State Legislature passed, and Governor Hochul signed into law, [the Child Poverty Reduction Act](#). The Act committed the State to reducing child poverty by half over the following decade and established the Child Poverty Reduction Advisory Council (CPRAC), tasked with monitoring the State's progress and making policy recommendations to advance the State's goal. CPRAC, now in its second year, has recognized that statewide child poverty reduction requires sustained and systemic approaches that uplift children and families in all New York communities – rural, urban, and suburban.

To meet our ambitious goal of cutting child poverty in half by 2032, the State must act boldly this year. The Schuyler Center urges the Legislature to pass and fund S.277B/A.4022B.