



**Testimony of Juan Diaz
Citizens' Committee for Children of New York**

Submitted to the New York State FY 2025 Joint Legislative Budget Hearing on Tax-policy

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Since 1944, Citizens' Committee for Children of New York has served as an independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce; our priority is improving outcomes for children and families through civic engagement, research, and advocacy. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure the wellbeing of New York's children, families, and communities.

Thank you, Chair Weinstein and Chair Krueger, as well as Chair Hevesi, Chair Brisport, Chair Persaud, Chair Davila, and all the members of the Assembly Ways and Means, Senate Finance, Assembly and Senate Children and Families, and Assembly and Senate Social Services Committees for holding today's Joint Hearing today and allowing us the opportunity to respond to Governor Hochul's Executive Budget.

Recently, a [report from the New York State Controller's office](#) highlighted New York's high cost of living as well as higher rates of poverty for children across the state. In 2023, Citizens' Committee for Children of New York (CCC) released the "[Child & Family Well-being in New York State](#)" index, a comprehensive report that examines county-level data on economic security, housing stability, health care, education, youth, and families and communities. Moreover, CCC's report revealed that more than 1,000,000 families in New York State had incomes below or near the federal poverty level (Below 200% FPL), which leads to material hardship families may face in a state with a higher cost of living. Findings from this report underscore the urgent need for the State to invest in solutions that lift incomes and enhance support for families and communities.

Effective and timely government actions during the Covid-19 pandemic, such as enhancements to the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC), helped lift over 3 million children out of poverty nationwide. However, child poverty doubled nationwide when the tax credits enhancements expired.ⁱ Research has underscored the positive impact that tax credits have on reducing child poverty and improving their overall wellbeing.ⁱⁱ

Last year's actions by the Executive to include children under age 4 in the Empire State Child Credit was a promising first step in increasing access to important tax benefits for vulnerable families with children. However, New York must go further to combat child poverty.

New York State has the opportunity and responsibility to continue the path to eliminate child poverty statewide by supporting and funding the following tax-based proposals:

- **Strengthen the State child tax credit** so it reaches the poorest New Yorkers, currently excluded from the full credit. Eliminating the current income phase-in from the Empire State Child Credit (ESCC) will maximize its poverty-fighting potential and reduce existing racial disparities among children benefiting from the program. Increasing the maximum credit amount to \$1,600 (over the next five years) would allow the credit to have a meaningful impact on a family’s budget. New York made significant strides in the 2023-24 Budget by correcting the exclusion of children under age four, but child tax credits lose their poverty-fighting power when the full benefits are denied to the lowest income households.
- **Strengthen the Earned Income Tax Credit (EITC)** so that all working New Yorkers who are eligible may file, including those filing with an Individual Tax Identification Number (ITIN), as is permitted with the ESCC, and increase the value of the credit. Research has revealed that EITC helps incentivize employment, improves mental health and results in higher educational attainment of children and enhances the growth of local economies where EITC recipients reside. The same report revealed that lifting the incomes of workers in states like New York the State’s economy with increased contributions to personal income taxes and increased disposable income to spend in local communities.ⁱⁱⁱ

Conclusion

The recommendations in this testimony will build a better, safer, more equitable New York for children and families. We urge state leaders to implement these tax-based investments and policy changes in the FY25 State Budget. Thank you for your time and consideration.

ⁱ “The Anti-Poverty and Income-Boosting Impacts of the Enhanced CTC”. The White House, USA Government. November 20th, 2023. <https://www.whitehouse.gov/cea/written-materials/2023/11/20/the-anti-poverty-and-income-boosting-impacts-of-the-enhanced-ctc/#:~:text=It%20is%20well%2Destablished%20that,poverty%20to%20spike%20in%202022.>

ⁱⁱ Marr, Chuck, et al. “EITC and Child Tax Credit promote work, reduce poverty, and support children’s development, research finds.” Washington, DC: Center on Budget and Policy Priorities (2015).

ⁱⁱⁱ Williams E., Waxman S., Legendre J. (2020) “State Earned Income Tax Credits and Minimum Wages Work Best Together”. Center on Budget and Policy Priorities. Retrieved from: [https://www.cbpp.org/research/state-budgetand-tax/state-earned-income-tax-credits-and-minimum-wages-work-best-together.](https://www.cbpp.org/research/state-budgetand-tax/state-earned-income-tax-credits-and-minimum-wages-work-best-together)