



**Joint Legislative Public Hearing on Taxes –
Testimony in Support of Expanding and Making Permanent the Empire State Child Credit
Expansion**

February 26, 2026

The New York State Cash Alliance submits this testimony to urge the legislature and the Governor to make last year’s expansion of the Empire State Child Credit permanent.

The New York State Cash Alliance is a coalition of community organizers, artists, cash beneficiaries, legal and social service providers, and advocates working to advance one solution that works to lower the cost of living in New York State: cash. Direct cash transfers are a simple, tested, and scalable intervention for providing immediate relief to those experiencing poverty, grounded in dignity, flexibility, and efficiency.

Reforming our current tax credit system to increase its generosity and accessibility is one way the State can deliver unconditional cash to New Yorkers. Last year’s temporary expansions to the Empire State Child Credit (ESCC) were critical—particularly the removal of the income phase-in—and should be made permanent. Child tax credits are proven to help families afford essentials such as food, housing, and child care.¹

The Cash Alliance also urges the legislature to pass S. 9077 Gounardes /A.10126 Hevesi, to raise the ESCC amount to \$1,500 per child, per the Child Poverty Reduction Advisory Council’s recommendation. The CPRAC estimates that expanding the ESCC to \$1,500 per child per year could reduce child poverty in NYS by nearly 25%.² Furthermore, this legislation indexes the ESCC to inflation so that its value does not erode over time.

Lastly, the legislature should invest in a significant expansion of free tax preparation assistance and a public awareness campaign to ensure that eligible filers claim the Empire State Child Credit. This should include a special focus on low-income filers who were previously ineligible for the full Empire State Child Credit.

¹ Jake Schild, Sophie M. Collyer, Thesia Garner, Neeraj Kaushal, Jiwan Lee, Jane Waldfogel, and Christopher T. Wimer, "Effects of the Expanded Child Tax Credit on Household Spending: Estimates Based on U.S. Consumer Expenditure Survey Data," NBER Working Paper 31412 (2023), <https://doi.org/10.3386/w31412>.

² The Children’s Agenda, “Hochul Proposes Steps to Reduce Child Poverty,” January 27, 2025, <https://thechildrensagenda.org/2025/01/27/hochul-proposes-steps-to-reduce-child-poverty/>.



Generous, refundable tax credits are needed now more than ever; New York families are struggling with a high cost of living and tremendous uncertainty as the federal social safety net is subject to budget cuts, new work requirements, and changing eligibility rules designed to punish the most vulnerable. These tax credit reforms can provide New Yorkers with flexibility and a needed buffer against economic shocks and uncertainty. Cash transfers also yield positive impacts on our communities and wider society, as they have been linked to increases in productivity and local economic activity. A recent study found that cash benefits provide an almost 10-fold return on investment to our society.³

We urge the Legislature and the Governor to pass these critical tax reforms to expand cash access for New Yorkers.

Thank you for your time and for the opportunity to provide this testimony.

Respectfully,

The New York State Cash Alliance

³ Irwin Garfinkel et al., “The Benefits and Costs of a Child Allowance,” *Journal of Benefit-Cost Analysis* 13, no. 3 (2022): 335–362, <https://doi.org/10.1017/bca.2022.15>.