



**Testimony for the Joint Fiscal Committees  
SFY 2026-27 Executive Budget  
Taxes Budget Hearing  
February 26, 2026**

Thank you for the opportunity to testify on the 2026-27 New York State Executive Budget. The Schuyler Center for Analysis and Advocacy (SCAA) is a 154-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.

**Introduction: Top Budget Recommendations**

In the 2026-27 Budget, we urge New York to take action in the tax code to make New York State an affordable home for families by implementing the following proposals:

1. **Build upon last year’s expansion and continue to strengthen New York’s child tax credit by increasing the maximum credit amount, making it more inclusive, and indexing it to inflation.** Specifically, to have the greatest impact on child poverty and deliver the greatest tax savings to low-income families, we urge the Legislature to:
  - increase the maximum credit amount of the ESCC to at least \$1,500 per child per year for children 0-18, as recommended by the State’s Child Poverty Reduction Advisory Council, to provide families with meaningful support;
  - index the credit to inflation so families continue to receive the full value of the credit; and
  - ensure that all changes are permanent so families can rely on the credit each year.
  - **S.9077 (Gouardes)/A.10126 (Hevesi)** would achieve these expansions.
2. **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.
3. **Exempt Oral Health Products from the Sales Tax by passing A.2444-A Woerner/S.985-A Brouk.** Making oral care products, such as toothbrushes, toothpaste, and dental floss more affordable will make it easier for New Yorkers to maintain their oral health and prevent serious disease and illness. Maryland and Florida have enacted this exemption; New York should follow suit.

## Detailed Recommendations

### **Recommendation: Build Upon and Further Expand the Empire State Child Credit to Address Child Poverty and Help Make New York State More Affordable for Families**

Last year's Enacted Budget included significant expansions to New York's child tax credit, called the Empire State Child Credit, by eliminating an income phase-in that excluded families with the lowest incomes from receiving the full credit, and increased the maximum credit amount to \$1,000 per child per year for children 0-3 and, beginning in Tax Year 26, \$500 per child per year for children 4-17. If uptake is robust, these changes will have a meaningful impact on child poverty in the state, and on the lives of impacted families. We urge the Legislature to build upon these initial changes to increase the poverty-fighting potential of the credit.

When the federal child tax credit was temporarily expanded in 2021 as a form of pandemic relief, child poverty rates dropped by nearly half, both nationally and here in New York State, confirming the immense effectiveness of refundable tax credits for reducing child poverty, particularly if targeted to reach the poorest and youngest.<sup>1</sup> Unfortunately for families with children, the expanded credit ended after just one year.

It is critical that New York expand and strengthen its state child tax credit, especially for families facing the most financial hardship by (1) increasing the credit to at least \$1,500 per child per year, as recommended by the Child Poverty Reduction Advisory Council; (2) indexing the credit to inflation so families do not lose the current value of the credit; and (3) ensuring the credit continues to be available to as many immigrant families as possible.

Cash transfers via tax credits can have big poverty-reduction impacts.<sup>2</sup> With no serious federal proposals on the horizon to provide economic support to struggling families, it is up to New York State to lead.

**In order to have the greatest impact on child poverty and deliver the greatest tax savings to families struggling to make ends meet, Schuyler Center urges the Legislature to build upon last year's expansions to the state's child tax credit by:**

- Passing S.9077 (Gounardes)/A.10126 (Hevesi) and:
- increasing the credit amount of the ESCC to \$1,500 per child per year, as recommended by the State's Child Poverty Reduction Advisory Council, to provide families with meaningful support;
- expanding the credit to include 17-year-olds, who are currently excluded from the ESCC;
- indexing the credit to inflation so that families continue to receive the full value of the credit; and
- ensuring that these changes are permanent so that families can rely on the credit each year.

### **Recommendation: Expand New York's Earned Income Tax Credit to include immigrant New Yorkers and increase the credit amount for families with children**

The Earned Income Tax Credit (EITC) was designed to encourage work with a credit amount that rises as earnings rise to a maximum level and then phases out slowly as a worker's earnings increase. The EITC also plays a role in reducing child poverty in New York, constituting the largest state tax credit low-income families receive. In tax year 2024, more than 988,766 New York State taxpayers with children filed EITC claims. The maximum credit available to a family with two

children was \$2,088, and the average credit for that composition of family, \$1,288.<sup>3</sup> Excluded from the state and federal EITC, however, are young and childless adults ages 18 through 24, even though they experience poverty at rates higher than most adults.<sup>4,5</sup> Many immigrant tax-filers are also excluded. Experts estimate there are 107,000 children in households that do not qualify for EITC financial support solely because a parent files taxes using an Individual Tax Identification Number (ITIN).<sup>6</sup> Many low-income workers who are ineligible for the federal or state EITC are taxed into poverty or deeper poverty in part because they cannot receive the EITC.<sup>7</sup> Expanding the state tax credit to reach more immigrant New Yorkers and young childless adults would help lessen or end this inequity.

**New York should expand and strengthen the state EITC by (1) adjusting filing requirements so more tax-paying immigrant New Yorkers can receive the state EITC; (2) increasing the percentage of the federal credit paid to families from 30% to 45%; and (3) expanding the credit for young adults without children (ages 18 through 24) who are currently ineligible for either the federal or state credit.**

### **Recommendation: Exempt Oral Health Products from the Sales Tax**

The Schuyler Center supports A. 2444-A (Woerner)/ S.985-A (Brouk) to exempt essential dental hygiene products from the sales tax. Making oral care products, such as toothbrushes, toothpaste, and dental floss more affordable, will make it easier for New Yorkers to maintain their oral health and prevent serious disease and illnesses. Maryland and Florida have both enacted this exemption in recent years; New York should follow suit.<sup>8,9</sup>

Most people do not know a great deal about oral health because the health of the teeth, the gums, and the rest of the mouth—is not usually included in what we traditionally consider health care. Yet, a healthy mouth is vital for a healthy life. Far too many New Yorkers suffer from dental pain and the burden of high dental treatment costs. Poor dental health results in missed days of work, poor performance in school, and acute and chronic pain.<sup>10,11</sup>

While oral health has improved overall for most Americans, like many chronic diseases, some people remain disproportionately impacted, including children living in poverty, racial and ethnic minorities, frail elderly, and other socially marginalized groups, such as immigrant populations.<sup>12</sup> These disparities relate to many of the same social and economic factors that drive other health disparities.<sup>13</sup> Access to medical and dental care, along with factors such as poverty, racism, education, access to healthy foods, culture, and physical environment, influence oral health status in the same way these factors influence overall health.<sup>14</sup>

Poor oral health has human, financial, and social costs. Studies show that children with poor dental health are three times more likely to miss class and more likely to have a lower grade-point average than their healthy peers.<sup>15,16</sup> Adults who have decayed or missing teeth are less likely to get or keep a job.<sup>17</sup>

The products outlined in the legislation should be considered tax exempt because they are designed and intended to prevent illness and disease. Yet, instead of being considered as “products used for the preservation of health” or “products that are intended to affect the structure or a function of the human body,” dental products are considered “cosmetics and toiletries” in New York’s tax code along with mustache wax, bronzers and bubble bath.<sup>18</sup>

Purchasing dental hygiene supplies and frequently replacing toothbrushes has cost implications that can be prohibitive for lower-income families and individuals. Head Start providers report families sharing toothbrushes or not replacing toothbrushes as recommended. For adults with limited finances, purchasing products recommended on a regular schedule to maintain their oral health can stretch discretionary income, even while good oral health is considered an important factor in diabetes management or living independently.<sup>19,20</sup> **New York should eliminate any financial barrier to these essential dental hygiene products to make it easier for individuals can prevent tooth decay, cavities, and gum disease.**

We urge policymakers to tackle this issue in the budget, to make these health care products more affordable while reinforcing New York's position that oral health is a critical part of overall health.

***New York should enact A.2444-A Woerner/S.985 Brouk-A to exempt essential dental hygiene products from the sales tax.***

## **Background**

### ***Families Are Struggling to Afford Life in New York State***

Faced with stubbornly high inflation and record high food costs, families across New York State are struggling to make ends meet.<sup>21</sup> At the same time, COVID-19 pandemic relief initiatives have been rolled back, including expanded SNAP benefits, school meals, and enhanced child tax credits.

It is clear that New York families need relief. Meaningful, refundable tax credits for families can provide that relief, enabling families to meet immediate needs and deliver long-term benefits. Extensive research shows that cash and near-cash benefits (such as tax credits) improve children's health and educational outcomes, increase future earnings, and decrease costs in the realms of health care, child protection, and criminal justice.<sup>22</sup>

Powerful evidence confirms the effectiveness of tax credits. The 2021 pandemic expansion of the federal Child Tax Credit, which increased the credit, particularly for low-income families, and paid it out monthly—dramatically and quickly cut child poverty nearly in half nationally and in New York State. Congress allowed the expanded federal child tax credit to expire, ending that relief for families. As a result, in 2022 and in 2023, nearly all but the wealthiest New York families with children paid more in taxes; many of the state's lowest income families received no federal or state child tax credit.

### ***New York has committed to cutting child poverty in half; tax policy has a key role***

There are more than four million children residing in New York State. Nearly one-in-five are experiencing poverty and 37% live in low-income (below 200% of the federal poverty level) families, who struggle to make ends meet.<sup>23, 24</sup> Children in Black, Hispanic/Latino, and multi-racial families experience poverty at much higher rates than non-Hispanic white children, the result of systemic and ongoing racism in housing, education, employment, and other systems. Evidence shows a lack of economic resources for families compromises children's ability to grow and achieve adult success, hurting them and society.

Far too many children in New York State live in poverty, and many more struggle to make ends meet. In fact, as of 2023, New York ranks 40<sup>th</sup> in the nation in terms of child poverty, tied for that spot with South Carolina. Stated another way, NY children are more likely to experience poverty than children in 38 other states.<sup>25</sup>

In 2021, the New York State Legislature passed, and Governor Hochul signed into law, the [New York State 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), which is tasked with monitoring the State's progress and making policy recommendations to move the state toward its goal. CPRAC, now entering its third year as an advisory council, has recognized that progress toward a statewide reduction in child poverty requires sustained and systemic approaches that uplift children and families in all New York communities—rural, urban, and suburban. In December 2024, CPRAC released a set of [policy recommendations](#) to address child poverty in New York State.

**Please see our brief on this topic, *Taking Action on New York's Commitment to Reduce Child Poverty*, [linked](#), and attached to the testimony.**

## ***About Us***

Schuyler Center is the home of and participates in the leadership of [Empire State Campaign for Child Care](#), a campaign that advocates for universal child care in New York State and the compensation child care providers deserve, and [New York Can End Child Poverty](#), a group dedicating to ending child poverty in New York. Schuyler Center also participates in the leadership of the Child and Family Wellbeing Action Network (CFWAN), advocates, providers, and people impacted by New York’s child welfare system working towards a vision of New York where the state prioritizes investing in and implementing policies that strengthen and support children, youth and families; serves on the Steering Committee for *Kids Can’t Wait*, focused on reform and improvement of New York’s Early Intervention program. Kate Breslin an appointee to New York’s Child Poverty Reduction Advisory Council.

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong New York.

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- <sup>1</sup> Schuyler Center for Analysis and Advocacy. (2025). [Strong Refundable Tax Credits to End Child Poverty](#).
- <sup>2</sup> Garfinkel, I., & Wimer, C. (2023). [Reforming the Empire State Child Credit to Reduce Child Poverty in New York State](#) [Presentation]. Center on Poverty and Social Policy.
- <sup>3</sup> Office of Tax Policy Analysis. (2025). [Earned Income Tax Credit \(EITC\) Claims by Credit Type and Size of Earned Income: Beginning Tax Year 1994](#). Department of Taxation and Finance.
- <sup>4</sup> Kids Count Data Center. (2023). [Young Adults Ages 18 to 24 in Poverty In New York](#). The Annie E. Casey Foundation.
- <sup>5</sup> Kids Count Data Center. (2023). [Population in Poverty in New York](#). The Annie E. Casey Foundation.
- <sup>6</sup> Wiehe, M., & Gee, L.C. (2020). [Analysis: How the HEROES Act Would Reach ITIN Filers](#). Institute on Taxation and Economic Policy.
- <sup>7</sup> The Center on Budget and Policy Priorities. (2023). [Policy Basics: The Earned Income Tax Credit](#).
- <sup>8</sup> Hill, L. (2022). [Maryland General Assembly Closes 2022 Session with Sweeping Legislation](#). *The Southern Maryland Chronicle*.
- <sup>9</sup> Florida Department & Revenue. (2023). [Nontaxable Medical Items and General Grocery List](#).
- <sup>10</sup> Centers for Disease Control and Prevention. (2020). [Adult Oral Health](#).
- <sup>11</sup> Gift, H. C., Reisine, S. T., & Larach, D. C. (1992). [The social impact of dental problems and visits](#). *American journal of public health*, *82*(12), 1663–1668.
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- <sup>14</sup> Krol, D.M., & Whelan, K. (2023). [Maintaining and Improving the Oral Health of Young Children](#). American Academy of Pediatrics.
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- <sup>18</sup> Department of Taxation and Finance. (2019). [Drugstores and Pharmacies](#), *Tax Bulletin ST-193 (TB-ST-193)*.
- <sup>19</sup> Centers for Disease Control and Prevention. (2022). [How to Promote Oral Health for People With Diabetes](#).

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<sup>20</sup> Badewy, R., Singh, H., Quiñonez, C., & Singhal, S. (2021). [Impact of Poor Oral Health on Community-Dwelling Seniors: A Scoping Review](#). Health services insights, 14, 1178632921989734.

<sup>21</sup> United States Government Accountability Office. (2023). [Food Prices: Information on Trends, Factors, and Federal Roles](#).

<sup>22</sup> National Academies of Sciences, Engineering, and Medicine. (2019). [A Roadmap to Reducing Child Poverty](#). Washington, DC: The National Academies Press.

<sup>23</sup> Schuyler Center for Analysis and Advocacy. (2025). [State of New York's Children databook](#).

<sup>24</sup> Kids Count Data Center. (2023). [Children Below 200% Poverty in New York](#). The Annie E. Casey Foundation.

<sup>25</sup> Kids Count Data Center. (2024). [Children in Poverty in United States](#). The Annie E. Casey Foundation.