Working Families Tax Credit

(A4022/S277)

February 2024

The Need

Every family should be able to provide for the basic needs of their children. Every child should be secure in knowing when they will have their next healthy meal, where they will sleep, and that they will have suitable clothing for school. Every child should have access to enriching opportunities for learning and social growth.

The Solution

Child tax credits have proven effective at giving children the stability they need to thrive. Families use tax credits for rent or mortgage, groceries, child care and education. We need to expand the credits and make it easier for families to access credits for which they are eligible.

1. **Consolidate** the Empire State Child Credit, Earned Income Credit, and Dependent Exemption into a single **Working Families Tax Credit.**

2. **Increase the credit** to $1,600 per child for single, lower-income filers with a **gradual phase-down** for higher-income earners until the credit reaches $500.

3. **Index** the credit to inflation so it keeps up with the cost of living.

In a poll of Monroe County parents, parents were asked about challenges they are facing. For those with annual household incomes under $100,000:

61%
said they are rationing food until next paycheck

66%
said they are having a hard time affording rent or mortgage

56%
said they are having a hard time affording insurance that covers mental health care

64%
said they are having to work instead of attending child's activities

90%
Support providing tax credits to families with young children

Find out how your family would benefit with the Working Families Tax Credit Calculator

TheChildren'sAgenda
Smart Choices. Bold Voices.

Rochester, NY
www.thechildrensagenda.org
Contact: Pete Nabozny at pete@thechildrensagenda.org

Why It Will Work

The Working Families Tax Credit will keep more money in the pockets of families, allowing them to invest their resources in their children.

It will provide critical support to families that need it the most by making sure very low-income families with children receive the maximum credit.

The gradual phase-out for families that earn more will prevent a cliff where credits suddenly drop off.

Indexing the credit to inflation ensures it keeps up with the cost of living and maintains its value over time.

"There's a difference between the cost of living and the cost of surviving."

-- Danielle, a Rochester mom, mental health counselor and doula

Rochester, NY
www.thechildrensagenda.org
Contact: Pete Nabozny at pete@thechildrensagenda.org