

Illinois Needs a Child Tax Credit



COST-OF-LIVING
REFUND
COALITION

SB 1444

Simmons - Cervantes

Koehler, Preston, Johnson, Peters, Ventura, Edly-Allen, Hunter, Gillespie, Villa, Fine

HB 3950

Evans - Moeller

LaPointe, Rashid, Mason

THE PROBLEM

COSTS TO RAISE KIDS ARE RISING

At the start of 2023, only 32% of surveyed Americans stated that they would not cover a \$400 emergency entirely using cash or its equivalent. **While food and gas prices are skyrocketing, historic stimulus efforts— like the federal Child Tax Credit— have dried up.**

Illinois parents and kids are being exposed to an uncertain economy with very few options. It's time for Illinois to step up and invest directly in families.

THE SOLUTION

CREATE A STATE CTC

In 2021, families benefited from receiving the expanded federal Child Tax Credit, one of the **most effective anti-poverty programs** in our nation's history. During the COVID pandemic, the expanded CTC slashed child poverty in half, decreased food insecurity, and improved educational outcomes.

Since Congress failed to renew the expanded CTC in 2022, Illinois leaders should create a state version of the Child Tax Credit to benefit families in the same way.

POLICY DETAILS

Create a \$700 per child Child Tax Credit for families in Illinois earning less than the median income.

Eligibility:

- Live and file taxes in Illinois (including those who file with an ITIN number)
- Be the primary guardian of the child/children 17 years old or younger
 - *Parents with permanently disabled adult children maintain eligibility*
- Earn less than \$75,000 for joint-filers; or less than \$50,000 for single tax filers.
 - *Credit phases out at \$25,000 over the income threshold.*

THE IMPACT

1.5M ILLINOIS KIDS WOULD BENEFIT

- **Benefits half of Illinois' kids.** Half of Illinois households with children (and one quarter of all households) will be eligible for a state Child Tax Credit; *that's 1.5 million kids whose parents would receive more money to support them.*
- **Strengthens local economies.** Studies show refundable tax credits have a multiplier effect: every dollar from the state becomes \$2.50 in local economic activity.
 - **3 in 10** families spent their federal CTC on **school expenses**
 - Nearly **half** of families receiving the federal CTC spent their cash on one thing: **food**
 - **1 in 4** families with young children used the CTC to cover **child care costs**
- **Promotes racial equity.** Due to the racialized nature of poverty, Illinois' Black families are 3.5x more likely to be in poverty. Black families would be more likely to qualify for and benefit from SB 1444/ HB3950.
- **Is a sound investment.** If Illinois invests \$700 million while our State's finances have never looked better, then this Illinois Child Tax Credit would provide a pathway through economic uncertainty while also helping to **make our regressive tax code more equitable.**

Who Supports an Illinois Child Tax Credit?

[SB 1444](#)
[HB 3950](#)

ILLINOIS COST-OF-LIVING REFUND COALITION

The Illinois Cost-of-Living Refund Coalition is dedicated to making Illinois' tax system more equitable and inclusive so every family can thrive.

Run by Economic Security Project, our members are composed of 40+ unions, community organizations, consumer protection groups, and nonprofits.

Our members are:

- Age Guide
- AARP Illinois
- Caring Across Generations
- The Chicago Community Trust
- Chicago Jobs Council
- Chicago Urban League
- Chicago Votes
- Children's Advocates for Change
- Children's Home & Aid
- Community Organizing & Family Issues
- Economic Security for Illinois
- Economic Security Project
- Equity and Transformation
- Grassroots Collaborative
- Heartland Alliance
- Hispanic Federation
- Illinois Action for Children
- Illinois Coalition for Immigrant & Refugee Rights
- Illinois Families for Public Schools
- Illinois Nurses Association
- Illinois Public Interest Research Group
- Latino Policy Forum
- LIFT- Chicago
- Metropolitan Planning Council
- New America Chicago
- Parents Organizing to Win Educate & Renew - Policy Action Council Illinois
- Raise The Floor Alliance
- SEIU- HCII
- SEIU - Local 1
- SEIU - Local 73
- Shriver Center on Poverty Law
- Small Business Majority
- Stand for Children Illinois
- Start Early
- UFCW - Local 881
- United Way of Illinois
- UpTogether
- Warehouse Workers for Justice
- Women Employed
- Woodstock Institute
- Worker Center for Racial Justice
- Young Invincibles
- YWCA of Metropolitan Chicago

LEGISLATIVE SPONSORS

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Chief Sponsor: **Evans**

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