



Testimony in Support/Opposition of House Bill 6654: An Act Establishing a Child Tax Credit Against the Personal Income Tax

**Universal Health Care Foundation of Connecticut
March 24, 2021**

Thank you for the opportunity for Universal Health Care Foundation of Connecticut to submit testimony in support of House Bill 6654: An Act Establishing a Child Tax Credit Against the Personal Income Tax.

At Universal Health Care Foundation, we envision health care that takes excellent care of all of us when we are sick, helps to keep us healthy, and does not threaten our financial security. We believe that health care should put people first and be accountable to provide quality care for everyone regardless of income, gender, race, language of preference, status, and geography. We support this bill because by reducing child poverty through a child tax credit, Connecticut can improve child health.

HB 6654 establishes a state-level child tax credit (CTC) based upon the federal CTC, which [research](#) has shown to be one of the most effective mechanisms to reduce childhood poverty.ⁱ In 2019, the [United States Census Bureau](#) found that 13.3% of Connecticut's children lived in poverty.ⁱⁱ Further, Black and Hispanic children disproportionately experience poverty compared to their white peers: the Kids Count project found that Black children are three times more likely and Hispanic children four times more likely to live in poverty than white children, as reported by the [Hartford Courant](#).ⁱⁱⁱ A state-level CTC would make Connecticut's tax system fairer and advance racial justice.

Connecticut has notably high levels of income and wealth inequality. A 2020 report by [Connecticut Voices for Children](#) found that the pre-tax income for the top 1% of tax filers is 41 times greater than the pre-tax income of median income households.^{iv} The average pre-tax income for the top 1% of tax filers was 64.6 times greater than the pre-tax income of the median Black household and 67.6 times greater than that of the median Latinx household.^{iv} This racial income gap is greater in Connecticut than the United States as a whole.^{iv}

A [government study](#) found that in 2012, the working poor in Connecticut paid almost 25% of their income in state and local taxes, compared to 13% by the middle class, 10% by the top 10% of earners, and 7.5% by the top 1% of earners.^v

A literature review through the [American Academy of Pediatrics](#) reports that children who experience poverty are at increased risk for numerous adverse health outcomes throughout the rest of their lives, which can begin before birth. Maternal poverty is

associated with higher rates of infant mortality and low birth weights. Poverty creates infinite stressors on children and their families. Children living in poverty are at a higher risk than wealthier children for lead poisoning, unintentional injuries from fires, traffic, and unsafe stairs, and exposure to pollution and pests.^{vi}

Exposure to air pollution can trigger asthma, a condition that can lead to chronic absenteeism, especially if parents are unable to afford medical care. These children are at greater risk of maltreatment and neglect, due to the relationship between poverty and factors like parental depression, domestic violence, and substance use, further exacerbating poverty-related stressors. Children may also experience trauma from witnessing violence and crime in their community.^{vi}

Continuing, children who experience food insecurity may have developmental delays stemming from nutritional deficiencies. Families living in poverty frequently have more access to foods that are high in fat, sugar, and salt due to lack of access to grocery stores and the higher costs of more nutritious foods. Young children experience cavities at 2.5 times the rate of families above the poverty level due to lack of dental care. Poverty increases a child's lifetime risk of mental illness, developmental delays, and cardiovascular, immune, metabolic, inflammatory, and pulmonary diseases.^{vi}

The CTC created by this bill is necessary to reduce childhood poverty in Connecticut. Due to the regressive nature of Connecticut's taxes, a CTC could reduce the tax burden placed upon low-income families.ⁱ A CTC also acknowledges that families with children have numerous more expenses than adults without children and could help parents with costs associated with necessities like food, health care, clothing, and child care. Connecticut is currently one of only two states that has an independent state income tax and no exemption or credit to adjust for family size, as reported by [Connecticut Voices for Children](#).^{vii}

While this bill takes an important first step, we urge the committee to include ITIN taxpayers in the credit. Undocumented immigrants pay the same taxes at the same rates as all Connecticut residents and have the same right to the opportunity to provide for their children. They pay taxes and do not have access to many of the public programs they help to fund. Excluding ITIN taxpayers from this credit suggests that Connecticut does not value the well-being of all children.

This legislation is a necessary step to make Connecticut's tax system more equitable, thereby advancing racial justice and improving the health of low-income children. A state-level CTC modeled after the federal CTC will help lift many Connecticut children out of poverty and improve their chances of living a healthy life. We therefore urge you to support HB 6654: An Act Establishing a Child Tax Credit Against the Personal Income Tax. Thank you.

Universal Health Care Foundation of Connecticut's mission is to serve as a catalyst that engages residents and communities in shaping a democratic health system that provides universal access to quality, affordable, equitable health care and promotes health in Connecticut. We believe that health care is a fundamental right and that our work is part of a broader movement for social and economic justice.

ⁱ Davis, A., Wiehe, M., Collyer, S., Harris, D., & Wimer, C. (2019). *The case for extending state-level child tax credits to those left out: A 50-state analysis*. Institute on Taxation and Economic Policy; Center on Poverty & Social Policy, Columbia University. https://itep.sfo2.digitaloceanspaces.com/041719-Child-Tax-Credit_ITEP-CPSP.pdf

ⁱⁱ United States Census Bureau. (2019). *Poverty status in the last 12 months* [Table S1701]. <https://data.census.gov/cedsci/table?q=poverty&q=0400000US09&tid=ACSST5Y2019.S1701&hidePreview=true>

ⁱⁱⁱ Gerike, L. (2019, August 1). *Poverty rates among children have risen in Connecticut over the past 30 years, especially among black and Latino children*. The Hartford Courant. <https://www.courant.com/news/connecticut/hc-news-connecticut-poverty-kids-count-study--20190801-ugk5mw7pd5f2lau33lbbpbcihm-story.html>

^{iv} O'Brien, P. R. (2020, September). *The state of working Connecticut: Advancing economic justice in the labor market*. Connecticut Voices for Children. <https://ctvoices.org/wp-content/uploads/2020/09/SOWC-2020-Report-Final.pdf>

^v Phaneuf, K. M. (2020, January 15). *CT Voices proposes major state tax shift to reverse inequality*. The Connecticut Mirror. <https://ctmirror.org/2020/01/15/ct-voices-proposes-major-state-tax-shift-to-reverse-inequality/>

^{vi} Pascoe, J. M., Wood, D. L., Duffee, J. H., & Kuo, A. (2016). Mediators and adverse effects of child poverty in the United States. *Pediatrics*, 137(4). <https://doi.org/10.1542/peds.2016-0340>

^{vii} Santacroce, M. (2014, February). *Making children visible in Connecticut's tax code*. Connecticut Voices for Children. <https://ctvoices.org/wp-content/uploads/2014/02/bud14makekidsvisibletaxcode.pdf>