ACTION SHEET (Word version)

results

Congress must extend the Child Tax Credit this year

In 2021, Congress enacted historic legislation that cut child poverty by 40 percent. Congress expanded the Child Tax Credit (CTC) by increasing the credit for low- and moderate-income families and sending it as monthly payments. Importantly, for the first time the CTC was fully refundable so that 27 million children in families with no- or low-incomes got the full value of the credit.

As a result, millions of families were able to make ends meet. When the CTC payments started in July 2021, food insecurity for families with children dropped by <u>26 percent</u> (after just one payment!). Over the following six months, child poverty dropped by 40 percent. <u>Families ate healthier and the use of payday loans dropped</u>.

But the Senate refused to extend the changes past one year. As a result, the child poverty rate <u>increased 41 percent</u> the month after the payments ended. Now, with inflation driving up the cost of food, gas, and housing, the situation is worse.

For months, RESULTS advocates and congressional Democrats have pushed to extend the expanded CTC. While the House passed a one-year extension in late 2021, 51 members of the Senate have blocked any attempts to pass an extension. In late June, President <u>Biden</u> <u>confirmed reports that the CTC (Child Tax Credit) is unlikely to be included</u> in any budget reconciliation bill this summer. This is a devastating blow to tens of millions of families struggling to put food on the table and keep a roof over their heads.

But all is not lost. Congress is expected to take up a bipartisan tax bill at the end of the year to extend some business tax breaks. As happened in 2015 when the Congress last expanded the CTC, this may be a vehicle to get a new CTC expansion passed. Furthermore, in June, Sens. Mitt Romney (R-UT), Steve Daines (R-MT), and Richard Burr (R-NC) released the Family Security Act 2.0, which would create a monthly "child allowance" similar to the expanded CTC in 2021. RESULTS has serious concerns with parts of the proposal (it is not fully refundable and cuts other important programs to finance the plan), but release of the plan helps foster efforts to build Republican support for an expansion.

But in order to reduce child poverty via an expanded CTC, we must lay the groundwork now. We can't wait around to see what happens next. Congress needs to know that advocates will continue to push for an expanded CTC for as long as it takes. Use the media action below to help build that support.

Use media to push lawmakers to act on the CTC

Use the sample CTC letter to the editor (LTE) below as a guide to write your own LTE to your local newspapers calling on Congress to pass an expanded the CTC that benefits all low-income families.

Sample Child Tax Credit letter to the editor

If we are truly a country that cares about its children, Congress would pass the expanded Child Tax Credit (CTC).

The 2021 CTC expansion with monthly payments was nothing less than extraordinary. After payments began in July 2021, child poverty dropped by 40 percent, food security increased, and families finally made ends meet. One important reason for this success was that, for the first time, the CTC was fully refundable making all low-income children eligible for the full CTC.

The U.S. House extended the new CTC past 2021, but 51 senators blocked it and the payments stopped in January. Child poverty skyrocketed. Now with inflation driving up rent, food, and gas prices, Congress must act.

Democratic leaders have pushed for the CTC extension for months. Sen. Mitt Romney (R-UT) has now proposed a new "child allowance" similar to the expanded CTC. This is encouraging, but his credit still excludes the lowest-income children.

Families and children need help now. I urge leaders in Congress to pass an expanded Child Tax Credit that reaches the lowest-income families with monthly payments as soon as possible.

Tips for getting letters published

- If you have personal experience with the CTC, share it in your letter
- Keep your letter short and direct with a clear call to action
- Check the word limit for LTEs in your local paper and don't go over it
- When you get published, forward your letter to the tax aide in your House and Senate offices with a request to pass a CTC extension now
- When you get published, please let RESULTS know by completing our <u>Media Report</u> Form

Also, continue to urge others to write LTEs as well. Use our <u>Action Workshop Agenda</u> (<u>Word</u> <u>version</u>) to host a letter-writing meeting. If you have questions about writing or submitting letters, or hosting an LTE-writing meeting, please contact <u>Jos Linn</u>.