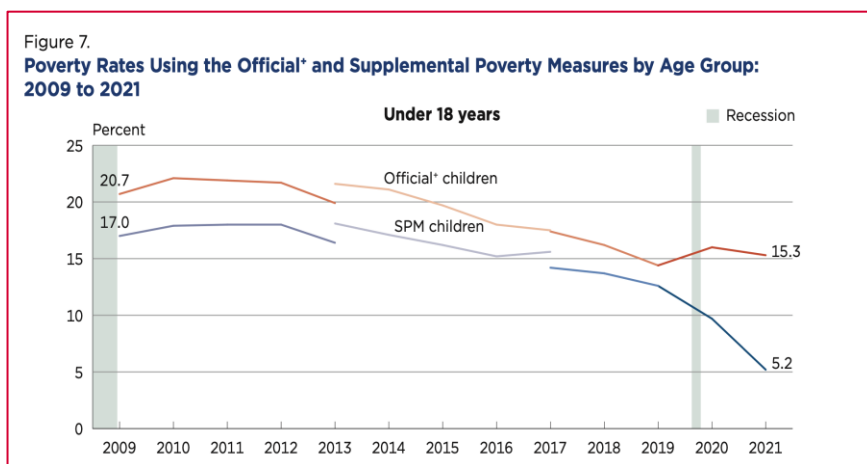


# U.S. Poverty Policy Request

## Strengthen families and reduce poverty by expanding the Child Tax Credit

**Urge colleagues and leadership to expand the Child Tax Credit (CTC) with monthly payments and full refundability for all low-income families**

The Child Tax Credit provides cash assistance directly to families, allowing them to decide how to navigate the ups and downs of the economy. It should be a priority in upcoming legislation to provide the support low-income Americans need. In 2021, [the expanded CTC helped families obtain and maintain employment](#) by supporting child care and transportation costs. It can also support a parent's decision to focus on caregiving. Census Bureau data proved that expanding the CTC dramatically reduces child poverty. Overall, from 2020 to 2021 child poverty fell by 46 percent—primarily because of the CTC.



Unfortunately, Congress could not come to a bipartisan agreement to continue the expansion of this highly successful program. Now, [19 million kids are no longer eligible](#) for benefits because their caregivers do not earn enough to receive the full CTC. This includes

more than one in four children, and disproportionately affects marginalized communities. Approximately 45 percent of Black children, 39 percent of Latino children, 38 percent of American Indian/Alaskan Native children, and [27 percent of kids living in rural areas](#) are no longer eligible. In addition, many grandparents, people with disabilities, students, and 680,000 veterans are not eligible because their income is too low.

As Congress looks to fix provisions in the 2017 Tax Cuts and Jobs Act and enact other key tax provisions this year, it is vital that Congress pass policies for low-income families.

**RESULTS urges you to enact an extension of an expanded CTC to strengthen families and fight child poverty.** It's critical that you prioritize the needs of families with the lowest or no incomes in any tax package this year, and **communicate that this is a top priority with leadership and colleagues on the Senate Finance Committee/House Ways and Means Committee.**

# U.S. Poverty Policy Request

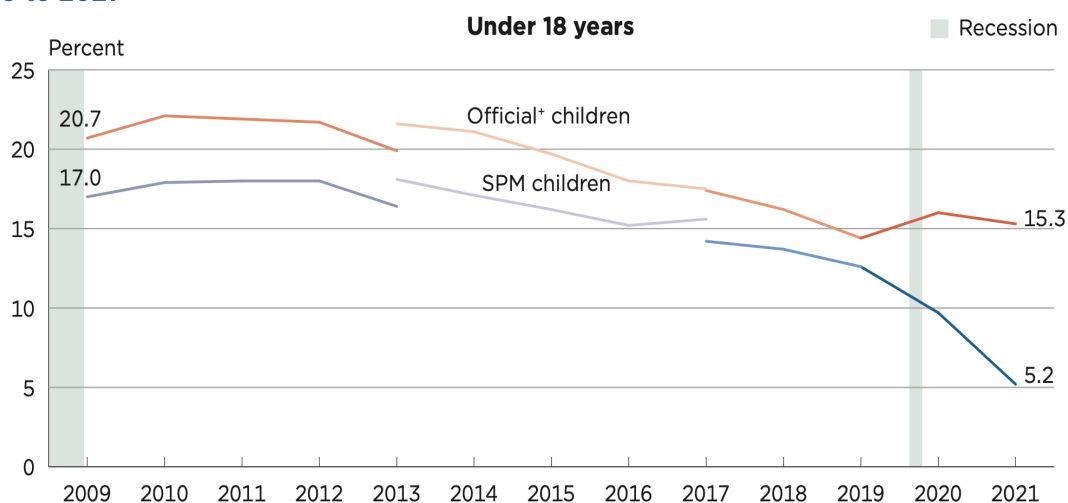
results

## Cosponsor the American Family Act

The American Family Act will expand the CTC and decrease child poverty

The Child Tax Credit provides cash assistance directly to families, allowing them to decide how to navigate the ups and downs of the economy. In 2021, the expanded CTC helped families cover the costs of raising children, stay stably housed, and meet basic needs. Census Bureau data proved that expanding the CTC dramatically reduces child poverty. Overall, from 2020 to 2021 child poverty fell by 46 percent—primarily because of the CTC.

Figure 7.  
**Poverty Rates Using the Official\* and Supplemental Poverty Measures by Age Group: 2009 to 2021**



Because this highly effective policy was not extended at the end of 2021 or 2022, Reps. Rosa DeLauro, Suzan DelBene, and Ritchie Torres are introducing the *American Family Act* (AFA) which will bring back the most important aspects of the 2021 CTC such as making the CTC fully refundable, available monthly for all children, and increasing the benefit amount to \$3,600 (ages 0-5) and \$3,000 (ages 6-17).

Representatives DeLauro, DelBene, and Torres are seeking original cosponsors for the AFA. **RESULTS urges you to consider becoming an original cosponsor of the American Family Act.** It's critical that we send a loud and clear message to Congress that children and families should be prioritized in our tax code. Cosponsoring the AFA is a powerful way to support a proven strategy to reduce child poverty.

Please see the Dear Colleague letter for information on how to be an original cosponsor. We will follow up with you soon to see if you have any questions or so you can let us know the AFA has your support!

## Bring Back the Child Tax Credit: Cosponsor the American Family Act!

**Cosponsors:** Representatives Bonamici, Barragán, McGovern, Larson, Jacobs, Velázquez, Wilson, Watson Coleman, Schiff, Mullin, Chu, Beatty, Gomez, Cherfilus-McCormick, Titus, Bowman, Ocasio-Cortez, Balint, Swalwell, Tokuda, Tonko, Nadler, Moore, Scanlon, Panetta, Dean, Hoyle, Grijalva, Payne, Norton, Morelle, Pingree, Huffman, Clarke, Foster, Williams, Pocan, Doggett, McClellan, Kildee, Meng, Budzinski, Higgins, and Jesus "Chuy" Garcia

Dear Colleague,

The expanded and improved Child Tax Credit that was signed into law as part of the American Rescue Plan Act, was the largest tax cut for working families in generations. The expanded Child Tax Credit reached more than 61 million children and lifted nearly 4 million out of poverty in 2021 alone. The monthly delivery of the Child Tax Credit payments helped families get ahead and provided financial security.

To help families tackle rising costs, we invite you to cosponsor the American Family Act to ensure the expanded and improved, monthly Child Tax Credit is made permanent.

The American Family Act:

- Provides the full Child Tax Credit (CTC) to the “left behind” children by making the credit fully refundable.
  - By removing a rule limiting the refundable portion to \$1,400 and by removing the earnings requirement, which previously excluded one-third of children from the full credit. Because of this change, children in families that were disproportionately left behind because of the earnings requirement - including Black and Latino children, children in single-parent families, rural families, children in larger families, and families with young children – were eligible for the Child Tax Credit for the first time ever.
- Continues the Young Child Tax Credit (YCTC) of \$300 per month (\$3,600 per year up from \$2,000 per year) for children under 6 years of age.
- Expands the maximum CTC to \$250 per month (\$3,000 per year up from \$2,000 per year) for kids ages 6 to 17.
  - The current CTC only allows a credit for children under the age of 17.
- Provides for monthly delivery of the credit so families have access to the credit as bills arrive.
  - Starting in July 2021 and by December 2021, the Department of Treasury and the Internal Revenue Service (IRS) distributed nearly \$93 billion dollars in Child Tax Credit payments to families. The Treasury Inspector General for Tax

Administration (TIGTA) found the IRS accurately sent 98 percent of monthly Child Tax Credit payments.

- Indexes the YCTC and CTC for inflation to preserve the value of the credit moving forward, as the current CTC is not indexed for inflation.
- Extends the expanded and improved Child Tax Credit to the United States Territories.
- Makes the CTC equitable regardless of the child's month of birth by including a hold harmless provision to ensure all children receive the same value of the credit in their first year of life.
  - This is an added provision from the American Family Act of 2021 to address an inequity in the credit that provided children born in December with a lump sum as their first payment and children born in January with a monthly payment as their first payment.

This text is based on the American Family Act of 2021 with the addition of the Child Tax Credit implementation sections of the Build Back Better Act (including presumptive eligibility, safe harbor, and protections from garnishment).

If you have any questions about the American Family Act, please do not hesitate to contact Caitlin (DeLauro) at [Caitlin.Peruccio@mail.house.gov](mailto:Caitlin.Peruccio@mail.house.gov), Victoria (DelBene) at [Victoria.Honard@mail.house.gov](mailto:Victoria.Honard@mail.house.gov), and Anna (Torres) at [Anna.Zimmerman@mail.house.gov](mailto:Anna.Zimmerman@mail.house.gov). To cosponsor the American Family Act, please use this [form](#).

Sincerely,

Rosa L. DeLauro

Member of Congress

Suzan K. DelBene

Member of Congress

Ritchie Torres

Member of Congress