

## Improve the Child Tax Credit

**Support hardworking families by providing the full Child Tax Credit (CTC) to more parents who work in low-wage jobs.**

The Child Tax Credit (CTC) has supported parents and children for decades. It is our most reliable and effective way to provide parents with the tools they need to meet their children's basic needs. The recent \$200 increase in the credit amount did not help families with the fewest resources. Congress should improve the CTC to benefit the millions of parents who work in low-wage jobs. Below are [a few options that have already received bipartisan support](#) to do just that.

- **Parents should start earning their CTC from their first dollar of income.** Current CTC law gives parents 15 cents for every dollar earned over the amount of \$2,500 per year. This slow phase-in does not reward parents for all their work and earnings. The CTC should phase in at a faster rate (see more below)
- **Prioritize parents working low-wage jobs to better target benefits.** As part of 2025's *One Big Beautiful Bill Act*, parents earning as much as \$400,000 received a \$200 boost (from \$2,000 to \$2,200 per child) to their CTC. Yet, parents earning as little as \$20,000 per year saw no increase whatsoever. With deficits at a record high, it is important that our dollars are targeted where they are most needed.
- **Remove the CTC refundability cap.** Many parents working in low-wage jobs have little or no federal income tax liability. As a result, their children do not receive the full benefit of the CTC. But these parents work as hard as anyone for their families. Removing the \$1,700 "refundability cap" and allowing them to receive the full \$2,200 credit would deliver additional direct relief for working parents.
- **Make the credit payable monthly.** Families accrue expenses and pay their bills monthly. Sending the CTC in monthly payments helps families better manage expenses.

The CTC is an investment in our families and workforce that will move us toward the shared goal of thriving communities. It is not too late to make the CTC more effective for families across America.

**RESULTS urges you to push House and Senate leadership to expand the Child Tax Credit for parents who are paid lower wages using the above reforms. These families deserve attention and support from their elected officials.**

## The phase-in rate determines how much CTC a family gets

The current phase-in rate for the CTC is 15 percent. It begins once a family earns \$2,500 in annual income. This means that for every dollar earned above \$2,500, a family receives 15 cents of the CTC. Nothing below that \$2,500 threshold is rewarded through the tax code. Furthermore, because of these flaws in the way the CTC phases in, the amount a family must earn to get the full \$2,200 CTC is quite high.

Families must earn a lot to get the full child tax credit (CTC)		
	Married, filing jointly	Head of Household Filers
1-child family	\$36,500	\$28,700
2-child family	\$41,500	\$33,700
3-child family	\$46,500	\$38,700
4-child family	\$51,500	\$45,800

Source: Center on Poverty and Social Policy at Columbia University, 2025

The flawed CTC phase-in creates real world problems. For example, married parents with four kids making \$25,000 per year receive just \$3,375. The same family making \$400,000 per year receives \$8,800 (see figure below). Changing the phase-in to better include families paid lower wages is crucial. It would give hardworking families more resources to help raise the next generation.

