

## Sources/References – Tax Policy Committee Meeting June 2, 2023

1. Garfinkel, I., & Wimer, C. (2023, January 12). Reforming the Empire State Child Credit to Reduce Child Poverty in New York State. *Center on Poverty and Social Policy*.  
<https://otda.ny.gov/news/meetings/attachments/2023-01-12-CPRAC-Reforming-Child-Credit.pdf>
  - Different versions of a CTC have different effects (current ESCC reduces child poverty by 5.5%; increasing to \$1000/child could reduce child poverty by 16%; increasing to \$4200/child could reduce child poverty by 50%, etc.) with different benefits for society (\$2.8B investment results in \$17B in benefits to society)
  - Reform options explored: expanding credit to include all children (adding 0-4), Full refundability (reaching lowest lowest-income households), eliminating phase phase-in based on wages (ensuring lowest lowest-income households receive full credit), considering an enhanced credit for youngest children (young child “bonus” for kids under 6), index value of credit to inflation (prevents erosion over time), alternative payment models (more regular than once per year)
2. Garfinkel, I., Sariscsany, L., Ananat, E., Collyer, S., Hartley, R., Wang, B., & Wimer, C. (2022). The Benefits and Costs of a Child Allowance. *Journal of Benefit-Cost Analysis*, 13(3), 335-362.  
doi:10.1017/bca.2022.15
  - A fully refundable \$3000 Child Tax Credit with increased benefits to \$3600 for children 0-5 would cost \$97 billion per year and generate social benefits of \$929 billion per year
3. Cabral, C. (2023). *Opinion: Moms (like me) deserve the credit*. Gotham Gazette. Retrieved March 2023, from <https://www.gothamgazette.com/130-opinion/11920-moms-deserve-child-tax-credit-working-families>
  - This article outlines how families like Candace Cabral’s would benefit from an improved child tax credit that includes children under 4, reaches families regardless of citizenship status, and eliminates the wage phase-in.
  - Studies from the Center on Budget and Policy Priorities and Urban Institute show that direct cash benefits help moms get back to work by alleviating the costs of childcare and transportation
4. Parolin, Z., Collyer, S., Curran, M. A., & Wimer, C. (2021). Monthly Poverty Rates among Children after the Expansion of the Child Tax Credit. *Center on Poverty & Social Policy Brief*, 5(4), p1–14.  
<https://doi.org/https://www.povertycenter.columbia.edu/s/Monthly-Poverty-with-CTC-July-CPSP-2021.pdf>
  - The Federal CTC was found to reduce child poverty in the United States by 25 percent after the first monthly payment to families
  - The Federal CTC was projected to reduce child poverty by approximately 40 percent if it were to reach all eligible children
5. Curran, M. A. (2022) “Research Roundup of the Expanded Child Tax Credit: One Year On.” *Poverty and Social Policy Report*, vol. 6, no. 9. Center on Poverty and Social Policy, Columbia University.  
[www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on)
  - Under the ARP expansion of the CTC, the credit reached the vast majority of families with low, moderate, and middle incomes; protected family finances amidst the continuing COVID-19 and economic crisis; helped reduce child poverty to the lowest level on record;

- decreased food insufficiency; increased families' ability to meet their basic needs; and had no discernable negative effects on parents' employment
  - Since the expiration of the Federal expansion of the CTC under ARP, many families with children have seen a reversal of these benefits directly attributable to the loss of the credit—including lower disposable income and increased poverty, food hardship, and financial strain. Combined with recent inflation trends, the expiration of the expanded Child Tax Credit has posed an ongoing challenge for families nationwide
6. Joint Economic Committee, U. S. Senate. (2021, August 13). Report: *New Data Show Expanded Child Tax Credit Will Inject Nearly \$19.3 Billion Into Local Economies Each Month*. Washington, DC: United States Senate. [https://www.jec.senate.gov/public/\\_cache/files/e57cf6b6-9cd8-4fb8-9ae6-bf705734e9b1/ctc-economic-impact-update-8-13-2021.pdf](https://www.jec.senate.gov/public/_cache/files/e57cf6b6-9cd8-4fb8-9ae6-bf705734e9b1/ctc-economic-impact-update-8-13-2021.pdf)
    - Every \$1 of federal spending invested in the expanded Federal CTC generated \$1.25 of economic activity as “people use their funds to buy goods and services that in turn generate income for other people and businesses”
    - In New York State specifically, the expansion of the Federal CTC generated more than \$1B of economic activity
  7. Huq, S. (2022, July). 3.7 million more children in poverty in Jan 2022 without monthly child tax credit. Columbia University Center on Poverty and Social Policy. Retrieved October 2022, from <https://www.povertycenter.columbia.edu/news-internal/monthly-poverty-january-2022>
    - The national monthly child poverty rate increased from 12.1 percent in December 2021 to 17 percent in January 2022, the highest rate since the end of 2020
    - The 41-percent increase in poverty represents 3.7 million more children in poverty due to the expiration of the monthly Child Tax Credit payments
  8. Barr, A., Eggleston, J., & Smith, A. A. (2022). Investing in infants: The lasting effects of cash transfers to new families. *The Quarterly Journal of Economics*, 1–52. <https://doi.org/10.1093/qje/qjac023>
    - Cash transfers to families during infancy can have large and long-lasting effects on that child's outcomes, increasing young adult earnings by at least 1 to 2 percent, improving math and reading test scores, and resulting in a higher likelihood of high school graduation
    - Observed effects on shorter-run parental outcomes suggest that additional liquidity during the critical window following the birth of a first child leads to persistent increases in family income that likely contribute to the downstream effects on children's outcomes
    - The longer-term effects on child earnings alone are large enough that the transfer pays for itself through subsequent increases in federal income tax revenue.
  9. Bovell-Ammon, A., Ettinger de Cuba, S., Gupta-Barnes, S., Banks, J., Bates, E., Coleman, S., & Le-Scherban, F. (2022, August). *'I didn't have to worry': How the Child Tax Credit Helped Families Catch Up On Rent and Improved Health*. Children's HealthWatch. Retrieved September 2022, from <https://childrenshealthwatch.org/wp-content/uploads/CTC-Report-Aug-2022-Final.pdf>
    - Quantitative and qualitative analyses show the Federal CTC significantly improved families' ability to catch up on rent during the pandemic, improved parent physical health, helped families afford child care, and reduced experiences of food insecurity and stress
  10. Herd, P., & Moynihan, D. P. (2018). THE EARNED INCOME TAX CREDIT: BENEFITING BUSINESS BY REDUCING BURDENS ON THE WORKING POOR. In *Administrative Burden: Policymaking by Other Means* (pp. 191–214). Russell Sage Foundation. <https://doi.org/10.7758/9781610448789.14>
    - This chapter covers the history of the Earned Income Tax Credit, the burdens that come with it (application, accessibility, etc.), expansions of the program since it was implemented, and the different stakeholders and interests who've shaped the program

11. Maag, Elaine, William J. Congdon, and Eunice Yau. 2021. The Earned Income Tax Credit: Program Outcomes, Payment Timing, and Next Steps for Research, OPRE Report #2021-34. Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.  
<https://www.urban.org/sites/default/files/publication/103722/the-earned-income-tax-credit-program-outcomes-payment-timing-and-next-steps-for-research.pdf>
  - The EITC provides substantial benefits, particularly to families with children, reducing poverty and improving long-term financial stability, children’s health, and educational outcomes.
  - Many people benefit from of the EITC, including both people who are working and people participating in traditional safety net programs, such as TANF.
12. Hardy, B. & Hokayem, C. & Ziliak, J. (2022, March). Income Inequality, Race, and the EITC. National Tax Journal. 75. 000-000. 10.1086/717959. [www.journals.uchicago.edu/doi/abs/10.1086/717959](http://www.journals.uchicago.edu/doi/abs/10.1086/717959)
  - The EITC lowers overall inequality by 5–10 percent in a typical year, improving the incomes of Black households relative to White households in the bottom half of the distribution.
13. Do all people eligible for the EITC participate? Tax Policy Center.  
<https://www.taxpolicycenter.org/briefing-book/do-all-people-eligible-eitc-participate>
  - The IRS and Census Bureau estimate that almost 80 percent of workers eligible for the earned income tax credit (EITC) claim it. Because people eligible for higher credits are more likely to claim the credit than those eligible for lower credits, about 85 percent of potential benefits are claimed each year.
  - Those who are less likely to receive the credit are those who are living in rural areas, self-employed, receiving disability income or have children with disabilities, without a qualifying child, not proficient in English, grandparents raising grandchildren, recently divorced, unemployed, or experienced other changes to their marital, financial, or parental status.
14. Cone, Jason. (2023, May 10). “Memo from Robin Hood Chief Public Policy Officer on the Interactions between Earned Income Tax Credit & Minimum Wage Changes on the ‘Take Home’ Income of New York’s Low-Wage Workers and Low-Income Families”. Robin Hood.  
[https://d3nz95d6hm31un.cloudfront.net/uploads/2023/05/MinimumWage\\_TaxIssue\\_EITC\\_Solution\\_Proposal\\_RobinHood-5-10-23.pdf](https://d3nz95d6hm31un.cloudfront.net/uploads/2023/05/MinimumWage_TaxIssue_EITC_Solution_Proposal_RobinHood-5-10-23.pdf)
  - For some filers with children, the bump in the State minimum wage from \$15 to \$17 will increase their tax liability, while decreasing the amount of EITC they can claim as both wages are within the phase-out portion of the EITC
  - Increasing the State’s EITC match percentage rate from the current 30% of the Federal credit to a minimum of 38% would offset the higher tax liability and steeper EITC phaseout experienced by families with children who receive the wage bump
  - Completely offsetting the regressive tax implications for low-wage single filers with children would require a 55% match for EITC, which would prevent those filers from losing out on the combined federal and state EITC and benefiting from the minimum wage increase
15. Crandall-Hollick, M. L., & Hughes, J. S. (2018, August 13). The Earned Income Tax Credit (EITC): An economic analysis - CRS reports. Congressional Research Service.  
<https://crsreports.congress.gov/product/pdf/R/R44057/14>
  - This report first briefly outlines the history of the EITC, focusing on its evolution from a modest “work bonus” to a major antipoverty program.
  - The report evaluates the credit, reviewing the economic literature on how the credit has affected taxpayers’ decisions to work, how it has affected tax burdens among different taxpayers, how it has affected those in poverty, and the complexity of administering this tax provision.

16. Jones, M. R., & Ziliak, J. P. (2019, April). *The antipoverty impact of the EITC: New estimates from survey and administrative tax records*. Center for Economic Studies. <https://www2.census.gov/ces/wp/2019/CES-WP-19-14.pdf>
- Recent evidence suggests that take-up of the EITC is considerably less than 100 percent, and thus claims regarding the impact of the program on measures of poverty may be overstated
  - This report explored the antipoverty impacts of the EITC found that the tax simulators overestimate its antipoverty effects by about 1.8 million persons a year
17. Raising NY Coalition. (2022, September). *Reducing Child Poverty in New York State*. Raising New York. Retrieved September 2022, from [https://raisingnewyork.org/wp-content/uploads/sites/2/2022/09/Reducing-Child-Poverty-in-New-York-State\\_RNY.pdf](https://raisingnewyork.org/wp-content/uploads/sites/2/2022/09/Reducing-Child-Poverty-in-New-York-State_RNY.pdf)
- While New York State once led the nation in its generous family tax credits, that is no longer the case
  - Vermont, Massachusetts, and New Mexico offer relief to a broader range of families, phasing out their credits at higher income levels than New York
  - Low-income families in Colorado, California, and Vermont receive tax credits over three times as high as New York families
  - New York remains the only state to have an income level phase-in, as well as the only state to exclude young children from child tax credits, who are more likely to live in poverty and more likely to suffer far-reaching negative consequences as a result of experiencing poverty the younger they are
18. National Academies of Sciences, Engineering, and Medicine. 2019. *A Roadmap to Reducing Child Poverty*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25246>
- Overall data on impact of poverty on children
  - Overall data on impact of policies on poverty of children
  - Example graph of demographic poverty data
  - Example chart of demographic impact data
19. The Annie E. Casey Foundation. (2022). *2022 KIDS COUNT® Data Book: State Trends in Child Wellbeing*. The Annie E. Casey Foundation. Retrieved October 2022, from <https://assets.aecf.org/m/resourcedoc/aecf-2022kidscountdatabook-2022.pdf>
- New York is ranked 43rd among all states for economic wellbeing of children, among the worst-performing cohort of all states
20. McLaughlin, M., & Rank, M. R. (2018). Estimating the economic cost of childhood poverty in the United States. *Social Work Research*, 42(2), 73–83. <https://doi.org/10.1093/swr/svy007>
- Poverty has exorbitant economic impacts in terms of lower economic activity, higher healthcare costs, and costs associated with crime, homelessness, and child maltreatment
  - A recent study found that child poverty reduced the size of the economy by an estimated \$1 trillion dollars, or 5.4% of gross domestic product, in 2015
  - Strategic investments to reduce poverty (i.e. upstream or preventive programs or policies) produce significant savings in other expenditures to ameliorate the negative outcomes of poverty (i.e. to address the costs/symptoms of poverty, like healthcare costs, etc)
  - Several national studies have concluded that investments to reduce poverty are offset by savings in other areas, with a recent study concluding that for every \$1 invested to reduce poverty reduces these costs of poverty by \$7
21. Zandi, M. (2021, January 15). *The Biden Fiscal Rescue Package: Light on the Horizon*. Moody's Analytics. Retrieved June 2022, from <https://www.moodyanalytics.com/-/media/article/2021/economic-assessment-of-blden-fiscal-rescue-package.pdf?ftag=MSF0951a18>
- Chart of Federal Fiscal Multipliers showing economic activity impact of public benefit programs and policies, including SNAP, EITC, Child Tax Credits, and more

22. Deparle, J., & Mcgarvey, M. (2022, September 11). *Expanded safety net drives sharp drop in child poverty*. The New York Times. Retrieved September 2022, from <https://www.nytimes.com/2022/09/11/us/politics/child-poverty-analysis-safety-net.html>
- Recent reporting on various strains of the anti-poverty policy discourse and poverty reduction trends nationwide
23. Isaacs, J. B. (2012, March). *Starting School at a Disadvantage: The School Readiness of Poor Children*. Center on Children and Families at Brookings Institution. Retrieved September 2022, from [https://www.brookings.edu/wp-content/uploads/2016/06/0319\\_school\\_disadvantage\\_isaacs.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/0319_school_disadvantage_isaacs.pdf)
- Children with higher levels of school readiness at age five are generally more successful in grade school, are less likely to drop out of high school, and earn more as adults, but fewer than half (48%) of poor children are ready for school at age five, compared to 75% of children from families with moderate and high income.
  - Entering school ready to learn can improve one's chances of reaching middle class status by age 40 by about 8 percentage points
24. Krugman, P. (2023, February 24). *Working Out: Conservatives Face a Rude Fiscal Awakening*. The New York Times. Retrieved March 2, 2023, from <https://www.nytimes.com/2023/02/24/opinion/medicaid-snap-social-security.html>
- The beneficiaries of social insurance programs are disproportionately children: Medicaid covers 39% of all American children under 18, and more than 65% of SNAP recipients are families with children
  - The evidence for long-run economic payoffs to investing in children are at least as solid, if not more solid, than evidence for payoffs from investments in infrastructure
25. Troller-Renfree, S. V., Costanzo, M. A., Duncan, G. J., Magnuson, K., Gennetian, L. A., Yoshikawa, H., Halpern-Meekin, S., Fox, N. A., Noble, K. G. (2022). The impact of a poverty reduction intervention on infant brain activity. *Proceedings of the National Academy of Sciences*, 119(5). <https://doi.org/10.1073/pnas.2115649119>
- This study on the causal impact of a poverty reduction intervention on early childhood brain activity shows that giving monthly unconditional cash transfers to mothers experiencing poverty in the first year of their children's lives may improve/strengthen infant brain activity
  - For families in this study that received the cash transfer, babies showed signs of increased brain activity, reflecting environmental adaptation and displaying a pattern that has been associated with the development of subsequent cognitive skills
26. Poverty Tracker Research Group at Columbia University (2023). *The State of Poverty and Disadvantage in New York City, Volume 5*. Robin Hood. [https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY\\_TRACKER\\_REPORT38.pdf](https://www.robinhood.org/wp-content/themes/robinhood/images/poverty-tracker/pdfs/POVERTY_TRACKER_REPORT38.pdf)
- In 2021, government transfers and tax credits cut the child poverty rate in NYC by 68% -- keeping 574,000 children above the poverty line
  - The expansion of the tax credit under ARP to nearly all children living in poverty temporarily closed the gaps in the previous CTC that left one in three children in New York State ineligible for the full credit, but many of those children have now been left behind again by the expiration of the expansion
27. Kimiagar, B., Bufkin, A., March, J. (2023, January 17). *Child and family well-being in New York State*. CCC New York. Retrieved March 6, 2023, from <https://cccnewyork.org/data-publications/cfwbnys2023/>
- More than 1,062,000 families across New York State have incomes below 200% of the federal poverty level—about \$52,400 for a family of four.
  - A family with two working parents and two children would need double this income—about \$119,000—to cover their typical expenses annually.

- While the statewide median income among families with children was just over \$83,000, about 50 of the 62 counties are below or even half of this amount.
28. Batra, A., Jackson, K., & Hamad, R. (2023). Effects of the 2021 expanded Child tax credit on adults' Mental Health: A quasi-experimental study. *Health Affairs*, 42(1), 74–82.  
<https://doi.org/10.1377/hlthaff.2022.00733>
- This quasi-experimental study examined the effects of the expanded CTC on mental health and related outcomes among low-income adults with children – and found fewer depressive and anxiety symptoms among low-income adults who received the CTC
  - Adults of Black, Hispanic, and other racial and ethnic backgrounds who received the additional support via the CTC demonstrated greater reductions in anxiety symptoms than the white adults who also received the credit
29. Segers, G. (2022, December 30). The Democrats' failure of the Year: Letting the expanded child tax credit die. *The New Republic*. Retrieved March 28, 2023, from <https://newrepublic.com/article/169611/policy-failure-child-tax-credit>
- After the expiration of the expanded CTC in January 2022, 3.7 million more children fell below the poverty line compared to December 2021.
  - From December 2021 to February 2022, there was a 28% increase in child poverty rate for Black children and a 40% increase for Latino children
30. Tlaige, A. (2023, February 9). NY addressing two issues in Biden's state of the union. WETM - MyTwinTiers.com. Retrieved March 28, 2023, from <https://www.mytwintiers.com/news-cat/ny-capitol-news/ny-addressing-two-issues-in-bidens-state-of-the-union/>
- One proposed option for an expanded tax credit would: give out \$1500 per child in quarterly payments, expand eligibility to include children four years old and younger, reach families regardless of citizenship status, and allow those with the lowest income to receive the largest credit by eliminating the current wage phase-in
31. Bastian, J. (2022, February 22). *Will the Child Tax Credit's effect on work decrease its poverty impact?* Niskanen Center. <https://www.niskanencenter.org/will-the-child-tax-credits-effect-on-work-decrease-its-poverty-impact/>
- The estimate for the number of parents who would choose to stop working due to a permanent expansion of the 2021 Child Tax Credit range from 300,000 to 1.5 million, and this report finds the likeliest number is at the low end of this range – closer to 410,000.
  - The report finds that even in a scenario of the largest employment decrease, the Child Tax Credit would still lead to an unprecedented decrease in child poverty. The 2021 version of the Child Tax Credit would reduce poverty by more than the 2020 Child Tax Credit and the EITC combined.
32. *EITC participation rate by states: Earned income tax credit*. EITC Participation Rate by States | Earned Income Tax Credit. (n.d.). <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states>
- A breakdown of EITC participation rates by state shows that in 2019, NYS had a higher-than-average take-up rate (81.4%) compared to the average national take-up rate (80%)
33. Marr, C., et al. (2015, October 1). *EITC and Child Tax Credit promote work, reduce poverty, and support children's development, research finds*. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>
- The EITC and CTC have broad effects on recipients, incentivizing work and reducing poverty, while also improving infant and maternal health, promoting better school performance, encouraging greater college enrollment, improving earnings for the next generation, and boosting Social Security retirement benefits.

34. McCabe, J. (2023, April 11). *Connecticut should reform their EITC in conjunction with proposed child tax credit*. Niskanen Center. <https://www.niskanencenter.org/connecticut-should-reform-their-eitc-in-conjunction-with-proposed-child-tax-credit/>
- Scholars at Niskanen Center explore potential EITC reforms for Connecticut, with a focus on strategically shifting investment from the EITC to the CTC to prevent lower-income families from losing out on resources (such as EITC funds) when they experience wage growth (such as a minimum wage increase) and ensure that all families are made better off
35. *Statistics for tax returns with the earned Income Tax Credit (EITC)*. Earned Income Tax Credit. (n.d.). <https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-the-earned-income#:~:text=2021%20EITC%20Tax%20Returns%20by%20State%20Processed%20in,%20%20%242%2C259%20%2048%20more%20rows%20>
- According to the IRS, in Tax Year 2019, 1.6 million New Yorkers claimed the EITC (81.4% of taxpayers eligible) and received an average benefit of \$2,330, less than the national average (\$2,461)
  - The average benefit amount in NYS (\$2,330) in 2019 was below the national average (\$2,461) and far lower than average amounts in Mississippi (\$2,903), Alabama (\$2,812), Louisiana (\$2,873), and Texas (\$2,736)