



Leadership, voice and vision for child welfare in New York State

MEMORANDUM IN SUPPORT

S.277 GOUNARDES/A.4022-A Hevesi

The Council of Family and Child Caring Agencies (COFCCA) supports and respectfully urges passage of S.277-A (Gounardes) / A.4022-A (Hevesi) creating the New York State Working Families Tax Credit.

COFCCA is the principal representative for nearly all the not-for-profit organizations providing foster care, adoption, family preservation, and juvenile justice services in New York State. COFCCA is comprised of over 100 member organizations, ranging in size from small community based programs to the nation's largest multi-services agencies — all of which share the mission of serving children and families.

This bill combines and strengthens two existing refundable tax credits: the Empire State Child Credit (ESCC) and state Earned Income Tax Credit (EITC), creating one more inclusive and generous Working Families Tax Credit (WFTC). For individual New Yorkers and families currently eligible for the ESCC, EITC, or both, the combined credit they would receive from the WFTC would be greater, or equal to the total of the two credits. For the lowest income, and many immigrant New Yorkers, the credit amount would be greater under the WFTC.

The WFTC credit builds upon the strengths of New York's ESCC and EITC, and corrects their shortcomings. Eligible families with children would receive a WFTC equal to or greater than the current EITC credit plus ESCC credits for all children in the household including young children under age four, who are presently excluded from the ESCC. The WFTC will allow families with the lowest incomes to receive the highest credit amount by eliminating the phase-ins currently in place for both credits, and will be available to immigrant tax-filers with Individual Tax Identification Numbers (ITIN) in the same manner as filers with Social Security Numbers (SSNs). (This is currently the case with the ESCC, but not with the EITC.) The WFTC will be paid out in four increments throughout the year.

The WFTC is structured to have greater poverty-reduction impact than existing credits, adopting characteristics of the temporary pandemic expansion of the Federal Child Tax Credit in 2021, an expansion that contributed to reducing child poverty nationally by 46% to a record low of 5.2%.¹ Since the federal CTC expansion ended in 2022, 3.7 million children around the nation have been plunged back into poverty.²

With New York's child poverty rate persistently higher than the national average,³ it is essential for New York to prioritize policies proven to reduce child poverty like the robust, targeted, fully refundable WFTC. It is estimated that the NYS WFTC will result in a 13.4% reduction in children under the age of 18 living in poverty, with a 19.6% reduction for those under 18 living in deep poverty.⁴

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¹ [Child Poverty Fell to Record Low 5.2% in 2021 \(census.gov\)](https://www.census.gov/newsroom/releases/states/ny/ny_pov_2021.html)

² Center on Poverty & Social Policy at Columbia University. 3.7 million more children in poverty in Jan 2022 without monthly Child Tax Credit. [December Child Tax Credit kept 3.7 million children from poverty – Columbia University Center on Poverty and Social Policy](https://www.cpspcolumbia.org/press-releases/december-child-tax-credit-kept-3-7-million-children-from-poverty)

³ Throughout the last decade, New York's rate of child poverty has exceeded that of [29 or more states](#) every year.

⁴ Analysis conducted by the Center on Poverty & Social Policy at Columbia University