

Illinois Child Advocates Demand Action on Renewing Child Tax Credit

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Under the Expanded Child Tax Credit, the number of American children living in poverty in 2021 dropped by 46%. (Pexels)

As Congress moves toward its deadline to pass a new budget, social advocates are urging lawmakers to reinstate the [Enhanced Child Tax Credit](#) for next year.

In 2021, the American Rescue Plan shifted the program from a tax reimbursement to direct monthly payments of as much as \$3,600 dollars per child. The move cut the child poverty rate almost in half, but when lawmakers failed to renew the program for 2022, many families fell back below the poverty line.

Mitch Lifson, vice president for public policy at the Chicago-based Children's Advocates for Change, said there is ample evidence the direct tax payments uplifted families and stimulated the economy.

"If you compare the numbers of children under the age of 18, there were 85,000 fewer in poverty, and that's a 30% reduction," Lifson explained. "There's no question that it has had a benefit to children in the state of Illinois, as well as across the country."

Many activists said they are frustrated because while Congress drags its feet on the Child Tax Credit, lawmakers are contemplating tax cuts for major corporations, which some Republicans say is needed to keep the economy out of recession.

Lifson argued families believe if Congress restores billions of tax dollars to businesses, they [should also reinstate](#) the Child Tax Credit. He noted statistics show allowing the tax credit to lapse put many working Illinois families back into the financial hole from which they had just escaped. He added now, they have been hurt even more by inflation.

"The 12-month CPI is 7.7%. Energy prices have increased by 17.6%, and food by almost 11%," Lifson outlined. "But we've now removed that economic assistance for these families and the economic security."

Under current law, Lifson pointed out more than 670,000 low-income Illinois children are prevented from receiving some or all of the full Child Tax Credit, and children of color are disproportionately excluded from its benefits.

"Given the success that the Enhanced Child Tax Credit had in helping families and cutting child poverty, but the fact that it lasted only for one year, there's a real need to put this back on the table to help families and not just businesses," Lifson contended.

References:

[Analysis Center for Budget and Policy Priorities 12/07/2022](#)

[Corporate tax cut analysis Americans for Tax Fairness 11/17/2022](#)