

# The News-Gazette

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## Our Turn | An Illinois child tax credit: Good for children, good for business, good for Illinois

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We see it and hear it every day in our line of work. Parents who just learned their rent will increase and don't have other affordable-housing options in their neighborhood.

Food prices that have risen sharply during the last two years and that haven't come down.

Household budgets that fall short of all the needs parents have for themselves and their children.

We may no longer be at the height of a pandemic and inflation may have eased since 2022, but it's still tough to get by for many Illinois families. The Economic Policy Institute estimates a family of two adults and two children living in the Champaign-Urbana metro area needs an annual income of \$102,371 to meet its basic household needs and maintain a modest standard of living.

By comparison, the official federal poverty level in 2023 for a family of four was \$30,000.

Poverty can impact a child's mental health, academic performance and even future earnings. Yet, children can thrive when we support families. Studies have shown the positive impacts refundable tax credits, like the Earned Income Tax Credit and the Child Tax Credit, can have on a child's health, educational attainment, future earnings and even in reducing cases of child maltreatment.

The 2021 increase in the federal child tax credit, along with other COVID-19 relief measures, cut child poverty by almost half nationally. Unfortunately, Congress enacted the increase for only one year.

A bill pending in the U.S. Senate would increase the federal child tax credit. It's not as extensive as the 2021 changes but could still lift as many as 400,000 children above the poverty line nationally in its first year, according to the Center on Budget and Policy Priorities.

Yet Illinois lawmakers don't need to wait on Congress to secure relief for Illinois families.

Illinois has a state and local tax system where the lowest-income households pay twice as much of their income in state and local taxes as the top 1 percent, according to the Institute on Taxation and Economic Policy. Our tax system is not only regressive but also increases the racial wealth gap, given differences in household income by race and ethnicity.

Illinois lawmakers can bring economic relief to Illinois households, and reduce racial and ethnic inequities, by passing a refundable state child tax credit. A current proposal introduced in the General Assembly (HB 4917 and SB 3329) would create a credit of \$300 per child for most families below the state household median income level.

This legislation, supported by more than 50 advocacy organizations across the state, would help approximately 1.4 million children.

The policy is also good for Illinois businesses and our local economies as families receiving the credit buy clothing, food, school supplies and other goods and services. Furthermore, the state recoups a portion of the revenue spent from the child tax credit in sales- and income-tax revenue with the newly generated economic activity.

So let's lift up the fortunes of Illinois low- and moderate-income children and our communities by passing a refundable state child tax credit.

***Tasha Green Cruzat is president and a board member of Children's Advocates for Change, an Illinois-based child advocacy organization. Dara Munson is president and CEO of Family Focus, which invests in strengthening families and their children in Chicago and northeastern Illinois.***