COMMUNITY FOUNDATION OF EASTERN Connecticut

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Finance, Revenue, and Bonding Committee
Public Hearing: April 14, 2025

In Support of **H.B. No. 7272 (RAISED)** AN ACT CONCERNING THE INDEXING OF PERSONAL INCOME TAX THRESHOLDS AND PERSONAL EXEMPTION AMOUNTS, THE ESTABLISHMENT OF A CHILD TAX CREDIT AND THE DEDUCTION AND WITHHOLDING OF PERSONAL INCOME TAX FROM CERTAIN PAYMENTS AND DISTRIBUTIONS.

Co-Chair Senator Fonfara, Co-Chair Representative Horn, Ranking Member Senator Fazio, Ranking Member Representative Polletta, Vice Chair Senator Cabrera, Vice Chair Senator Miller, Vice Chair Representative Constantine, Vice Chair Representative Rader and members of the Finance, Revenue, and Bonding Committee:

My name is Maryam Elahi, I am the President & CEO of the Community Foundation of Eastern Connecticut. We serve the 42 towns of eastern Connecticut in New London, Windham, and Tolland Counties. Last year, the Community Foundation provided over $8 million in grants to nonprofits to create a thriving community and we believe that H.B. 7272 is aligned with our vision of a healthy, thriving, sustainable Eastern Connecticut with greater equity for all.

Since 2020, the Community Foundation has provided over $4 million in funding to child and youth serving organizations in Connecticut as well as hundreds of other nonprofits across Eastern CT which gives us a regional and in-depth perspective on this important issue. Additionally, the Community Foundation is leading a collaborative of over 110 organizations, foundations, institutions of higher learning and health care centers that all agree on strategies to End Child Poverty Now in CT.

I am writing to emphasize the critical importance of establishing a permanent, fully refundable Child Tax Credit of at least $600 per child in our State.

The urgency of this matter cannot be overstated. Last year in Connecticut, 17.7% of all households reported extreme difficulty in paying usual expenses, increasing to 27.6% among low- and middle-income households with children. In the Northeast, it costs an average of nearly $18,400 a year for a married, middle-income family to raise a child, and the cost is even higher for families that require full-time child care, as that alone costs between about $12,600 and $19,200 a year depending on the age of the child and the type of provider. According to United Way's ALICE Report, a family of four with an

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infant and a preschooler, needed to earn $114,500 in 2023 to afford the annual ALICE Household Survival Budget, which is the basic cost needed to live and work in New London County.

The Expanded Child Tax Credit that was enacted at the national level during the latter half of 2021 provided advance payments to nearly all U.S. families with dependent children, ranging from $3,000 - $3,600. This initiative led to a substantial decrease in child poverty, both nationally and in Connecticut. However, that measure was temporary and costs of living and raising a child have continued to rise, especially in Connecticut. From 2021 to 2022, child poverty in Connecticut more than doubled.

The standard federal child tax credit is now $2,000, a dollar value based on studies reflecting an amount that would make a difference in families' budgets. Connecticut needs to do its part by establishing a state-level Child Tax Credit of at least $600 to provide substantial and immediate relief to address families' financial burdens.

A permanent, fully refundable CT Child Tax Credit of at least $600 per child would provide crucial support to ~550,000 children in our State. By ensuring that the credit is fully refundable, families without a tax liability would still receive its full value, making it truly accessible to those who need it most.

Implementing such a credit is not only a matter of economic fairness but also a crucial step toward addressing racial and economic disparities in our state. According to DataHaven analysis, 91 percent of Latine households with children and 88 percent of Black households with children would be eligible for the credit, along with 68 percent and 65 percent of White and Asian households with children, respectively. This demonstrates the broad potential reach of the CT Child Tax Credit in addressing inequities and supporting families across racial and ethnic lines.

It is imperative that we take action to address the urgent needs of our communities. By passing legislation to establish a permanent, fully refundable Connecticut Child Tax Credit, we can uplift our most vulnerable families, reduce child poverty, and promote equity and economic justice.

Now is the time to take decisive action and demonstrate your commitment to Connecticut's children and families by enacting legislation that provides a Child Tax Credit of at least $600, which can have a profound impact on their lives.

Thank you for considering my testimony and for your dedication to serving the people of Connecticut.

Sincerely,

Maryam Elahi, J.D., M.A.L.D., L.H.D.
President & CEO
Community Foundation of Eastern Connecticut