

Testimony on HB 96



**children's
defense fund
ohio**

Testimony before the House Ways and Means Committee

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Testimony in support of the proposed Child Tax Credit

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means committee, thank you for the opportunity to provide testimony today. My name is Guillermo Bervejillo, and I serve as the Research Manager for Children's Defense Fund-Ohio. We are a statewide, multi-issue, child advocacy organization that has worked on behalf of children, young people, and families in Ohio for more than forty years. Our mission is to build community so young people grow up with dignity, hope, and joy.

Today, I am here to testify in favor of Governor DeWine's proposed refundable Child Tax Credit (CTC). The Governor's tax credit proposal is not without its flaws. As it is currently designed, the bottom quintile of Ohio's taxpayers—those who are in most desperate need of support—will not receive the full benefit of the credit because of the income phase-in. The potential impact of the credit is also reduced by the limited age range eligible for the credit (those under 7 years of age). It is not clear why parents of children ages 8 to 17 should not be supported in the same way. We are also concerned by the dependence on regressive cigarette taxes as a revenue source for the CTC when the income tax—the only state tax that we pay according to our ability to pay—could easily be strengthened.

Nevertheless, the need for poverty alleviation is far too urgent to pass on this opportunity. According to the U.S. Census, nearly half a million children in Ohio live in poverty (469,000). You could fill every seat at the Shoe, the Ohio Stadium, with babies, toddlers, teenagers, four times over, all suffering from the effects of poverty and you would still have to find seating for another 49,000 kids. And these are only the most acute cases. According to Ohio's Department of Education, 54% of our 2.6 million children in Ohio are faced with economic obstacles when it comes to learning. Chair Roemer, almost one in five children in Summit County (20,000 kids) are living in poverty, more than a quarter are enrolled in SNAP, and more than half are enrolled in Medicaid. These children, these Ohioans, are being robbed of their hope, their dignity, their joy.

The refundable CTC is a policy tool that can provide some form of immediate relief to these kids and their families. It will not solve the underlying issue, for that we need larger structural change, but it will mean the world to these children today.

Moreover, the resources invested in the CTC will serve as an economic stimulus for our low-income communities. The CTC reduces financial stress, allows families to invest in their children's future, and, studies have consistently shown, provides families the opportunity to dedicate more resources to essential goods and services purchased from small businesses and the local economy.

Children's Defense Fund urges the committee to support the Governor's Child Tax Credit. Critically, the committee must preserve its refundability. If the credit is not refundable, it will not benefit those who need it most. To expand the impact of the CTC, we hope you consider removing the earnings requirement and the income eligibility phase-in. According to the Center on Budget and Policy Priorities, of the 14 other states and Washington, D.C. with a state CTC, none of them have an earnings requirement. We also hope the committee considers supporting parents of children of all ages; CDF-Ohio recommends covering kids through the age of 17 with a refundable credit of \$500.

Thank you for your time and efforts toward Ohio's children, I would welcome the opportunity to answer your questions.