



A PROJECT OF MOTHER'S OUTREACH NETWORK

# Testify to Support the Passage of the District Child Tax Credit Amendment Act of 2023 (Bill 25-0190)

In March, 2023, Ward 5 DC Councilmember Zachary Parker introduced the District Child Tax Credit Amendment Act of 2023 (DCTC), which was referred to the Committee on Business and Economic Development, chaired by At-Large Councilmember Kenyan McDuffie. The bill has **9 co-sponsors** of the 13 members of the DC Council, and **a hearing on the bill will take place on Wednesday, January 24th at 10am**. It's time to testify to make this bill a reality and get DC closer to ending child poverty!

Beginning in 2026, if passed into law, the bill would:

- Provide households with a refundable credit of up to \$500 per child for up to three children under the age of 17.
- Begin phasing out at \$100,000 for single filers and \$145,000 for joint filers at a rate of \$20 for each \$1,000 over the threshold.
- Cost roughly \$27 million annually, or **.001% of the District's FY24 budget**.

The bill would **reduce child poverty in Washington, D.C. by roughly 5%**.

- It would create a foundation to build off of that could cut child poverty in DC still further.
- Paired with the D.C.'s existing "Baby Bonds" program, it would represent a meaningful investment in closing the District's racial wealth gaps for the next generation.

**Child Tax Credits are a proven, effective, and efficient way to reduce child poverty and the harms that come with it.**

## How do we know it works?

**The 2021 federal expanded CTC.** In 2021 the federal Child Tax Credit was expanded and reformed as part of the American Rescue Plan Act. The changes included:

- Making the credit fully refundable, so that families with very low or no income could receive it,
- Raising the value of the credit from \$2,000 to \$3,000 for children between 6-17 and \$3,600 for children under six, and
- Allowing families to receive their credit as a monthly payment between June-December, 2021.

## What was the impact of the federal expanded CTC?

**The impacts were remarkable.** During the nine months the expanded CTC was in effect:

- It reached roughly 65,000 low- and moderate- income families with 99,000 children in the District of Columbia.
- It lifted 8,000 D.C. children out of poverty, cutting DC's child poverty by more than 25%.
- It meaningfully advanced racial equity. Approximately two-thirds of the children who benefited in D.C. were Black.
- Families were able to reduce their reliance on high cost financial services (like payday loans) and credit card debt, and experienced significantly lower levels of food and housing insecurity, among many other benefits.
- Each \$1 in CTC payments generated \$1.25 in local economic activity, as parents used the funds to purchase goods and services at local businesses.
- Since the end of the expanded CTC, almost all of the reduction in child poverty has been erased. **This is an extraordinary tragedy.**

## The DCTC's Time Has Come: Growing Momentum

Though the expanded CTC has been allowed to expire, it created renewed interest and momentum at both the federal and state levels to relieve child poverty through the use of CTCs. A bill to permanently restore the expansion currently has 209 cosponsors. **Since 2021, nine states have created their own fully-refundable CTCs, and two others have expanded existing ones.**

**Sign up to testify for the DCTC!**

Public hearing on  
Wed., Jan 24th @ 10 AM



**The DC Guaranteed Income Coalition calls on the DC Council to pass the DCTC into law!** [bit.ly/RegisterfortheDCTCHearing2024](https://bit.ly/RegisterfortheDCTCHearing2024)



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