 

**DC Child Tax Credit: GET Your Cash**

**What Is the DC Child Tax Credit?**

DC will decide very soon whether to give DC parents a new additional **local** refundable tax credit, complementing the federal child credit. The credit can reduce taxes or even provide a cash refund.

**Who would qualify for the credit?**

| **Minimum income and** **Employment status** | No minimum incomeEmployment not required |
| --- | --- |
| **Maximum income** (If earn over max, receive less) | Individuals - $100,000 / year Joint filers - $145,000 / year |
| **Amount per child** | $500 (unless above max income) ***Note:*** *As of early March 2024, the Coalition endorsed increasing this amount to $1000 per child and phased out slowly at higher levels of income* |
| **Number of children/credits** | Up to 3 children (one tax credit per child) ***Note:*** *As of early March 2024, the Coalition endorsed this credit applying to every child.* |
| **Who is a child?** | Child, stepchild, foster child, sister, brother, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of those |
| **Dependent** | Must be able to properly claim the child as dependent, including providing over one-half support. Dependent can only be claimed by one parent (by written agreement). |
| **Child age** | 16 or younger ***Note:*** *As of early March 2024, the Coalition endorsed lifting the age to 17 and younger* |
| **Residency**  | Must reside in DC for at least a year before the date tax return is filed.  |
| **Identification required** | SSN **or** ITIN (SSN not required) |

**The credit would be refundable**. If you owed no taxes, you would receive the full amount of the credit in cash. If you owed taxes, the credit would reduce your taxes, then you would get any remaining credit as a cash refund.

**Public benefits not reduced**. This money would not reduce other public benefits.

**How to receive and when paid**. If you qualify, you would receive a lump-sum (one-time) refund payment. You would receive the money after you file your federal and DC tax returns. The sooner you file, the sooner you receive your money.

**DC Child Tax Credit[[1]](#footnote-0): Support Your Neighbors**

**Why is the DCTC important? What impact would it have?**

The DCTC would be a powerful tool for improving the lives of the poor, especially children. It could benefit one in five DC residents, decreasing general poverty by about 1.3% and child poverty by about 5.2%.[[2]](#footnote-1) **Note:** As of early March 2024, the Coalition endorsed a more generous version of this bill, increasing the credit amount to $1000 per child for every child and increasing the child age from 16 to 17. If this version is passed, the child poverty rate would fall by over 10%.

**There’s already a federal Earned Income Tax Credit (EITC) and a Federal Child Tax Credit (CTC). Why the DCTC?**

Simply put, the EITC and the Federal CTC isn’t enough. Our neighbors living in poverty still can’t meet their basic needs. Significantly, because the DCTC has no earnings or employment requirement (whereas the EITC and the CTC do), it reaches more people, especially those who need it the most.

**How much would the DCTC cost and how would it be funded?**

It would cost about $27 million per year, roughly 0.001% of the District’s FY24 budget. MON and other DC Guaranteed Income Coalition members support paying for these credits by properly balancing the tax code, ensuring the wealthy pay a fair share. Find out more at [Just Recovery DC](https://justrecoverydc.org/). **Note:** As of early March 2024, the Coalition endorsed a more generous version of this bill, increasing the credit amount to $1000 per child for every child and increasing the child age from 16 to 17. If this version is passed, the cost of the bill would rise to $60-75 million.

A recent [poll](https://www.dataforprogress.org/blog/2024/1/16/dc-voters-enthusiastically-support-progressive-economic-policies) found many DC voters support this investment in kids and families.[[3]](#footnote-2)

**What does the DC Tax Revision Commission (TRC) say about the DCTC?**

The Commission believes the DCTC should go farther, be expanded to reach more people. It proposes doubling the tax credit ($1000 per child), increasing the age of eligible children (to 18), and increasing the income limits. 

**Can I help?**

Glad you asked! PLEASEsign our [**petition**](https://mothersoutreachnetwork.org/support-for-dctca-act-and-fsffwca-act/).

Found here (**bit.ly/DCGICSign-OnLetter)** and at the QR Code

**Contact the following D.C. Council Members.** Urge them to approve the bill. Some members are already informed of the issue, so no need to contact them. We especially want to reach the following

**Phil Mendelson - Chair**

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1. *We recognize that the bill states that it provides a deduction under Section 151 (personal exemptions) for each child, not a credit. This is a drafting error that we are pushing to be revised.*  [↑](#footnote-ref-0)
2. <https://policyengine.org/us/research/district-child-tax-credit> [↑](#footnote-ref-1)
3. [DC Voters Strongly Support Public Investments Addressing Economic Hardship](https://www.dcfpi.org/press-releases/dc-voters-strongly-support-public-investments-that-address-economic-hardship-according-to-new-poll/) (DCFPI poll) [↑](#footnote-ref-2)