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Testimony of:

Donald Williams, Jr.

Executive Director of the Connecticut Education Association

Before the:

Finance, Revenue and Bonding Committee

Re:

HB 6654 AN ACT ESTABLISHING A CHILD TAX CREDIT AGAINST THE PERSONAL INCOME TAX

March 24, 2021

Good morning Senator Fonfara, Representative Scanlon and members of the Finance, Revenue and Bonding Committee.

I'm Don Williams, Executive Director of the Connecticut Education Association. I'm testifying in favor of House Bill 6654, An Act Establishing a Child Tax Credit.

Supporting Connecticut's children is a critical priority for the state, and this bill would advance that goal. I want to thank Chairman Scanlon and those who have worked on this legislation for moving it forward.

I also want to thank the Voices for Children organization. They noted that this good proposal should be part of a broader reform package that would shift \$1.4 billion dollars' worth of tax burden from middle class and poor families to wealthier households.

Approximately 13 percent of children in Connecticut live in poverty. This is an equity issue, as child poverty disproportionately hurts families of color. The COVID-19 pandemic has worsened child poverty—families earning less have been hit harder than those in upper income brackets. This bill would help parents and fight child poverty.

Connecticut is one of only two states with an income tax, but no equivalent of the federal child tax credit. It makes sense for the state to provide a family-friendly tax credit for children.

An important question is how do we pay for this? The Child Tax Credit proposal has been estimated to cost up to \$450 million dollars. This must be addressed in an equitable way.

In Connecticut, the top one percent of taxpayers pay about 6.5 percent of their income toward state and local taxes. Median household taxpayers pay more than 13 percent, and median Black and Hispanic households pay almost 15 percent.

It's not family friendly to have a tax system that worsens the income gap between the top one-percent, and everyone else in Connecticut.

I recommend that the Child Tax Credit be partnered with either Senate Bill 821, or House Bill 6187—both appropriately shift the state's tax burden. The combination of the Child Tax Credit with a necessary reform of Connecticut's taxes—based on equity and fairness—would help families and children throughout our state.

Thank you.