

February 27, 2026

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To Whom It May Concern:

**Re: State of Connecticut Finance, Revenue, and Bonding Committee  
Written Testimony Submission regarding proposed S.B. No. 103, An Act Establishing a  
Refundable Child Tax Credit**

This written testimony is submitted by four poverty and social policy researchers at the Center on Poverty and Social Policy at Columbia University and supplements the oral testimony provided by Megan Curran, Policy Director at the February 27, 2026 hearing. Our center produces rigorous research that examines the effects of poverty on children, families, and communities. We also assess the impact of social policies and programs on economic well-being and opportunity and have particular expertise in federal, state, and local Child Tax Credit design. We welcome the opportunity to submit testimony on Connecticut's state Child Tax Credit proposal, S.B. 103.

Our research shows that a well-designed Child Tax Credit can generate as much as \$10 to \$15 in economic and social gains for every \$1 spent each year over the longer term.<sup>1</sup> Connecticut's proposal meets a critical principle for poverty reduction: a refundable credit fully available to children in low- and moderate-income families. Meaningful benefit amounts, combined with full refundability, can help drive the most significant poverty reduction for children. And a small tweak to remove the family cap can ensure it maximizes its full potential.

This testimony briefly reviews historic gaps in the federal Child Tax Credit; the evidence of the impacts of the 2021 temporary federal Child Tax Credit expansion; the gaps for children in Connecticut after the expansion expired and as we now head into the precarious economic horizon post-H.R.1; what our research reveals about the importance and impact of state Child Tax Credit design choices; and the degree to which the SB 103 proposal aligns with best practice for child poverty reduction.

**Historic gaps in the federal Child Tax Credit left 1 in 3 children nationwide out of the full credit coming into the pandemic**

Some brief context on the federal Child Tax Credit is helpful for why state-level credits are important. Many people know of the 2021 federal expansion, which cut child poverty by close to half at the national level, including by close to 40 percent in Connecticut.<sup>2</sup> Historically, the federal credit was a modest one for middle income families. The 2017 Tax Cuts and Jobs Act (TCJA) expanded access to families with up to \$400,000 in income, with little to no gains for children in lower income families.<sup>3</sup> This left 1 in 3 children nationwide left behind, including one-half of Black and Latino children, almost one-half of children in larger families, 40% of young children, and almost three-quarters of children in single parent families.<sup>4</sup> Only a handful of states operated state-level Child Tax Credits at the time and most of those that did were not structured to fill these gaps.

## **The 2021 federal Child Tax Credit expansion fully included children historically left out and helped reduce child poverty to a historic low**

The American Rescue Plan in 2021 made three major changes: (1) it increased the maximum benefit amounts to \$3,000 for children aged 6 to 17, with an extra boost for young children to be \$3,600 for children under age 6; (2) it made the credit fully refundable (e.g., by removing the minimum earnings requirement, phase-in, and refundability cap) which made the full credit newly available to children historically left out; and (3) it created a monthly payment delivery system for the first six months, so that families could receive it in regular installments, with the remainder of the credit delivered in a lump-sum at tax time in 2022.

A wide body of rigorous research examined the impacts during the expansion and afterward. The weight of the evidence is clear: while in place, the expanded federal Child Tax Credit reached the vast majority of families; shored up family finances amidst the COVID-19 and economic crisis; helped reduce child poverty to the lowest level on record; decreased food insufficiency; increased families' ability to meet their basic needs; and had no discernable negative effects on parental employment.<sup>5</sup> When it expired, these gains were lost.

Since 2021, there has been a rapid growth in state-level Child Tax Credits and Connecticut's efforts are timely.<sup>6</sup>

## **The H.R.1 federal Child Tax Credit leaves 1 in 4 Connecticut children out of the full credit**

When the 2021 temporary federal expansion expired in 2022, the credit reverted back to its TCJA parameters through 2025. In summer 2025, Congress made modest changes to the federal Child Tax Credit in H.R.1, the large reconciliation bill also known as the 'One Big Beautiful Bill Act' (OBBBA). Because the credit value was increased slightly without any corresponding changes in refundability, it resulted in families having to earn more money than under prior law in order to maintain access to the full credit. This increased the share of children left behind by the federal Child Tax Credit at the national level and across states.

Before H.R.1, 1 in 5 Connecticut children were left out of the full federal Child Tax Credit; after H.R.1, it is 1 in 4, representing 160,000 children statewide who are all in families below \$50,000.<sup>7</sup> These same children are also at highest risk of losing food assistance and healthcare due to H.R.1's other changes to the Supplemental Nutrition Assistance Program (SNAP) and Medicaid. But they would be covered by a fully refundable Connecticut state credit, as proposed in SB 103.

## **Principles for state Child Tax Credit design to fill gaps and reduce child poverty**

In collaboration with the Institute on Taxation and Economic Policy, our center has identified state credit design principles that can help state credits reduce child poverty. First and foremost, meaningful benefit amounts are one of the elements that affect child poverty reduction.

However, a meaningful credit amount will not be able to achieve poverty reduction if the credit does not reach children in families with low and moderate incomes. As such, full refundability – whereby children in families with low or no earnings receive the full credit – is also a key design principle for child poverty reduction in conjunction with benefit amounts.<sup>8</sup>

Additional state credit design elements of importance include<sup>9</sup>:

- *Equal per child benefits* – the full credit is made available to children regardless of family size or birth order;
- *Indexing to inflation* – the value of the credit is indexed so as not to erode in value over time;
- *Young child bonus* – a larger credit to children under age 6 is provided to target additional resources at a critical period of development;
- *Inclusivity* – children are included, regardless of immigration status, in full credit eligibility; and
- *Monthly payments* – families have the option of receiving the credit in regular installments, rather than a once-per-year lump-sum.

SB 103’s proposed design is fully refundable, which is one of the most important ways in which a credit reaches those who would benefit from it the most.

### **Family caps can reduce credit effectiveness**

One element that we respectfully draw attention to is the current 3-child cap in the proposal. Research is clear that equal, per-child benefits without caps are important for positive outcomes.<sup>10</sup> Prior to the pandemic, over 1 in 4 children in Connecticut lived in families with 3 or more children.<sup>11</sup> Caps often affect the youngest children. A fourth child welcomed through birth or adoption will not be recognized by the state credit, at the precise moment that poverty risks can heighten and a family may need it most.<sup>12</sup> Ultimately, all children in the family will receive smaller, per-child benefits because a family will stretch the resources of a smaller credit across more members of the household. Such features are easily tweaked and can help a strong policy proposal realize its full potential.

### **Conclusion**

Connecticut’s efforts here to create a refundable state-level Child Tax Credit place it among momentum that is fast-growing around the country. States that have enacted robust credits that are fully accessible to children in families with low and moderate incomes are seeing success in reducing child poverty.<sup>13</sup> A Connecticut state Child Tax Credit that reaches the children who could benefit the most is a worthy public investment.

Sincerely,

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<sup>1</sup> Garfinkel, I., Sariscsany, L., Ananat, E., Collyer, S., Hartley, R.P., Wang, B., & C. Wimer. 2022. [The benefits and costs of a U.S. child allowance](#). *Journal of Benefit-Cost Analysis*, pp. 1-28; Garfinkel, I., Ananat, E., Collyer, S., Hartley, R.P., Wang, B., & C. Wimer. 2024. [Update of the benefits and costs of a child allowance – April 2024](#). New York: Center on Poverty and Social Policy, Columbia University.

<sup>2</sup> National Academies of Sciences, Engineering, and Medicine. 2026. [Pathways to Reduce Child Poverty: Impacts of Federal Tax Credits](#). Washington DC: The National Academies Press; Wilson, D., Collyer, S., Hardy, B., & C. Wimer. 2023. [State-level poverty impacts of the Child Tax Credit in 2021](#). New York: Center on Poverty and Social Policy, Columbia University.

<sup>3</sup> Tax Policy Center. 2024. [How did the TCJA change taxes of families with children](#). Washington DC.

<sup>4</sup> Collyer, S., Harris, D., & C. Wimer. 2019. [Left behind: the one-third of children in families who earn too little to get the full Child Tax Credit](#). 3(6). New York: Center on Poverty and Social Policy, Columbia University; Curran, M. & S. Collyer. 2020. [Left Behind in Larger Families: The Uneven Receipt of the Federal Child Tax Credit by Children's Family Size](#). Poverty & Social Policy Brief 4(4). New York: Center on Poverty and Social Policy, Columbia University.

<sup>5</sup> Curran, M. 2022. [Research roundup of the expanded Child Tax Credit: One year on](#). Poverty and Social Policy Report 6(9). New York: Center on Poverty and Social Policy, Columbia University; Curran, M., Hoynes, H., & Z. Parolin. 2023. [Evaluating the Effects of the 2021 Expansion of the Child Tax Credit](#). *The ANNALS of the American Academy of Social and Political Sciences*, vol. 710; National Academies of Sciences, Engineering, and Medicine. 2026. [Pathways to Reduce Child Poverty: Impacts of Federal Tax Credits](#). Washington DC: The National Academies Press.

<sup>6</sup> Butkas, N. 2025. [State Child Tax Credits Boosted Financial Security for Families and Children in 2025](#). Washington DC: Institute on Taxation and Economic Policy.

<sup>7</sup> Collyer, S., Yera, C., Curran, M., Harris, D., & C. Wimer. 2025. [Children left behind by the H.R.1 Child Tax Credit](#). Poverty and Social Policy Brief, 9(5). New York: Center on Poverty and Social Policy, Columbia University.

<sup>8</sup> Vinh, R. Wilson, D., Collyer, S., Curran, M. & C. Wimer. 2025. [Assessing the potential impacts of refundable state Child Tax Credit designs on child poverty](#). New York: Center on Poverty and Social Policy, Columbia University.

<sup>9</sup> Collyer, S., Davis, A., Harris, D., Curran, M., & C. Wimer. 2022. [State Child Tax Credits and child poverty: A 50-state analysis](#). New York and Washington DC: Columbia University Center on Poverty and Social Policy and Institute on Taxation and Economic Policy.

<sup>10</sup> Curran, M. 2021. The Efficacy of Cash Supports for Children by Race and Family Size: Understanding Disparities and Opportunities for Equity. *Race and Social Problems*, 13:34-48.

<sup>11</sup> Curran, M. & S. Collyer. 2020. [Left Behind in Larger Families: The Uneven Receipt of the Federal Child Tax Credit by Children's Family Size](#). Poverty & Social Policy Brief 4(4). New York: Center on Poverty and Social Policy, Columbia University.

<sup>12</sup> Hamilton, C., Sariscsany, L., Waldfogel, J., & C. Wimer. 2023. Experiences of poverty around the time of birth: A research note. *Demography*, 60(4):965-967.

<sup>13</sup> Vinh, R. Wilson, D., Collyer, S., Curran, M. & C. Wimer. 2025. [Assessing the potential impacts of refundable state Child Tax Credit designs on child poverty](#). New York: Center on Poverty and Social Policy, Columbia University.