

A North Carolina tax credit would help every child thrive



A Child Tax Credit has proven to be an effective tool in supporting the financial well-being of families and the healthy development of children.



BENEFITS

- Improvements in infant and maternal health ¹
- Decreased poverty ²
- Reduced childhood hunger ³
- Better test scores and higher graduation rates ⁴
- More earning power as adults ⁵

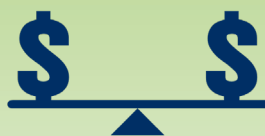
A CHILD TAX CREDIT IN NC WOULD:



Provide \$50 to \$250, depending on income and fully refundability



Improve economic equity for families of color and women



Increase fairness in our tax code

Learn more at [NCBudget.org](https://www.ncbudget.org)

WHY NOW?

The federal advance Child Tax Credit expanded eligibility over the past year but ended in 2021. The credits were used to purchase basic necessities such as food and housing, and to pay off debt.

20% of children in North Carolina live in poverty⁶

40% of households with children report that it was somewhat or very difficult to pay for usual household expenses during the past week.

15% of households with children report that they sometimes or often don't have enough to eat, compared with 11% in fall of 2021 when families were receiving advance Child Tax Credit payments

\$2B is at least how much NC has in revenue anticipated but unappropriated over the next two years.



When we join together to make sure every child has what they need to reach their full potential, our communities will thrive.

Endnotes

1 Waxman, Samantha, Arloc Sherman, and Kris Cox. "Income Support Associated with Improved Health Outcomes for Children, Many Studies Show: Refundable Tax Credits Among Programs That Boost Income." Center on Budget & Policy Priorities, May 27, 2021. <https://www.cbpp.org/research/federal-tax/income-support-associated-with-improved-health-outcomes-for-children-many>

2 Hardy, Bradley L. "Child Tax Credit Has a Critical Role in Helping Families Maintain Economic Stability." Center on Budget and Policy Priorities, April 14, 2022. <https://www.cbpp.org/research/federal-tax/child-tax-credit-has-a-critical-role-in-helping-families-maintain-economic>

3 Harris, Logan. "Expanded Child Tax Credit Has Caused Big Reductions in Childhood Poverty, but More Action Is Needed." The Pulse (blog), September 23, 2021. <https://pulse.ncpolicywatch.org/2021/09/23/expanded-child-tax-credit-has-caused-big-reductions-in-childhood-poverty-but-more-action-is-needed/#sthash.eNNwETG0.dpbs>

4 Duncan, Greg J., and Katherine Magnuson. "The Long Reach of Child Poverty." Pathways, no. Winter 2011 (n.d.): 23–27. https://inequality.stanford.edu/sites/default/files/media/media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf

5 Chetty, Raj, John N. Friedman, and Jonah Rockoff. "New Evidence on the Long Term Impacts of Tax Credits." Internal Revenue Service, November 2011. <https://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>

6 Nichol, Gene, and Heather Hunt. "The Persistent and Pervasive Challenge of Child Poverty and Hunger in North Carolina." NC Poverty Research Fund, December 2021. https://law.unc.edu/wp-content/uploads/2021/12/NC-child-poverty_final-web.pdf



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