

February 27, 2023

Members of the Minnesota Legislature:

We know states can build on the dramatic reduction in child poverty and material hardship that came with the temporary expansion in 2021 of the federal Child Tax Credit. For example, a Minnesota Child Tax Credit of \$1,080 for children under age six and \$900 for older children **would reduce child poverty in Minnesota by 25%**. ([State Child Tax Credits and Child Poverty: A 50-State Analysis](#), Institute on Taxation and Economic Policy and Center on Poverty and Social Policy).

In an effort to reduce the short- and long-term harm of poverty and dismantle Minnesota's deep racial disparities in financial well-being, our organizations are aligned around a permanent, income-targeted, inclusive Minnesota Child Tax Credit with the following design principles:

- Fully refundable,
- No minimum earnings requirement to qualify for the full value of credit,
- Providing a set dollar amount of credit for each child, with a larger credit amount for younger children,
- Indexing the credit amount and income phase-out level annually to inflation to ensure that its effectiveness does not erode over time,
- Including families with members using ITINs,
- Working towards providing the credit in periodic installments.

The documented success of the expanded federal Child Tax Credit demonstrates the huge potential that state CTCs can have for reducing poverty and racial disparities, and improving family budgets and the lifetime prospects of the state's most important resource: our children.

We look forward to continuing conversations with policymakers to build support for what could truly be a transformational policy for Minnesota's children and families.

Sincerely,

Children's Defense Fund Minnesota
Legal Services Advocacy Project
Minnesota Budget Project
Minnesota Catholic Conference
AFSCME Council 65
Barnesville Economic Development Authority
Big Brothers Big Sisters Twin Cities
Center for Economic Inclusion
Children's HealthWatch
Collective Healing Therapy & Consulting, LLC
Corporation for Supportive Housing (CSH)
Doctors for Early Childhood
EdAllies
First Children's Finance
Germanic-American Institute

Homes for All Coalition
Hunger Solutions Minnesota
ISAIAH
Jewish Family and Children's Service of
Minneapolis
Joyce Preschool
Kids Closet of Duluth
Legacy Family Center, MN
Main Street Alliance
Minneapolis Youth Coordinating Board
Minnesota Academy of Nutrition and
Dietetics
Minnesota AFL-CIO
Minnesota Asset Building Coalition

(over)

This letter submitted by Minnesota Budget Project
2314 University Ave W Ste 20, St. Paul MN 55114
651.642.1904

Minnesota Association for Family and Early
Education (MNAFEE)
Minnesota Association for the Education of
Young Children
Minnesota Center for Book Arts
Minnesota Child Care Association
Minnesota Coalition for the Homeless
Minnesota Community Action Partnership
Minnesota Nurses Association
Minnesota Prenatal to Three Coalition
Minnesota Social Service Association
New Horizon Academy
Northside Achievement Zone
People Serving People
Phyllis Wheatley Community Center
Pillsbury United Communities

Prenatal to Three Coalition
Prepare + Prosper
PRISM
Reach for Resources, Inc.
Saint Paul Promise Neighborhood
St. David's Center
Start Early Funders Coalition
TakeAction Minnesota
Telling Queer History
The Arc Minnesota
The SEAD Project
Tri-Valley Opportunity Council, Inc.
Voices for Racial Justice
West Central Initiative
Youthprise
YWCA Minneapolis