

February 6, 2024

Illinois Families Deserve a Child Tax Credit

The Illinois Cost-of-Living Refund Coalition's newest proposal

Families are feeling the strain of rising costs, from groceries to rent, and more. Creating a \$300 per child Child Tax Credit (CTC) is an immediate, meaningful way to directly support half of Illinois' kids.

A POLICY WITH VALUES

The 40+ organizations in the Illinois Cost of Living Refund Coalition identified four non-negotiable core values that must be present in any form of a statewide Child Tax Credit:

- **REFUNDABILITY:** The lowest income earners would benefit the most, and full refundability guarantees that those who are too poor to pay state income taxes still can benefit.
- **PER-CHILD BENEFITS:** A CTC would cover each eligible kid from 0 to 17. By establishing a broad-based credit for families at or below the median income, we support families who need it most, covering half of Illinois' children in every corner of the state, with Black and brown households representing 60% of all benefiting children.
- **PHASING OUT BENEFITS:** Phasing out the Child Tax Credit, as opposed to a strict eligibility cliff, prevents parents from getting stuck in gaps without coverage, or left worse off for taking a pay increase.
- **ACCESSIBILITY:** The program would be accessible for households who are often pushed out of other tax benefits, including households that file taxes with ITIN numbers, care for permanently disabled children, are unhoused or facing housing challenges.

IMPACT

If passed, a CTC would offer \$300 for each child whose parent earns less than the median income, **benefitting 1.4 million kids, which is half of all the children in the state.**

A CTC would increase children's economic and educational outcomes, improve healthcare outcomes, and increase public safety — all critical to reducing strain on State resources.

The CTC's long-term effects are built on the foundation of immediate returns through increasing local economic activity. **Federal data shows up to 80% of the CTC is spent immediately and locally to buy goods and services.** [Research](#) shows that spending on a CTC results in a 2.5x multiplier for local spending. All told, for our \$300 million proposal, that's \$750 million in local stimulus, something main streets need across the state as we face more uncertain economic conditions.

A [systematic review](#) of cost benefit analyses conducted on the nation's CTC programs shows the long-term impact of a CTC on the State's bottom line: **every \$1 spent on a refundable credit would save Illinois taxpayers \$10 in State costs.**

ELIGIBILITY

To receive the full \$300 per child credit, families would earn median income or less, meaning up to \$75,000 for joint filers, or single parents making up to \$50,000. Families earning more than these thresholds slowly phase out at a consistent, flat rate. The CTC is indexed to inflation to grow in out-years.

A \$300 per-child credit for half of Illinois' children, based on the Core Values of the coalition, is a step in the right direction to help Illinois families put food on the table and meet basic needs.

It's time to make the Illinois tax code work for families, not work against them.

SUPPORTERS OF A STATE CHILD TAX CREDIT

The Illinois Cost of Living Refund Coalition is dedicated to getting more money into the hands of Illinois families. Our 40+ members are composed of unions, community organizations, consumer protection groups, and nonprofits, including:

Age Guide
Brightpoint
Caring Across Generations
The Chicago Community Trust
Chicago Jobs Council
Chicago Votes
Children's Advocates for Change
Citizen Action Illinois
Community Organizing and Family Issues (COFI)
Economic Security Illinois
Economic Security Project
Equity and Transformation

Grassroots Collaborative
Greater Chicago Food Depository
Greater West Town Community Development Project
Heartland Alliance
Hispanic Federation
Illinois Action for Children
Illinois Coalition for Immigrant and Refugee Rights
Illinois Collaboration on Youth
Illinois Families for Public Schools
Illinois Nurses Association
Illinois Public Interest Research Group
Illinois Restaurant Association
IUOE Local 150
Latino Policy Forum
League of Women Voters of Illinois
LIFT- Chicago
Metropolitan Planning Council
New America Chicago
New Moms
Parents Organizing to Win Educate and Renew - Policy Action Council (POWER-PAC)
Raise The Floor Alliance
Service Employees International Union - Local 1 (SEIU-1)
Service Employees International Union - Local 73 (SEIU-73)
Shriver Center on Poverty Law
Small Business Advisory Council
Small Business Majority
Stand for Children: Illinois
Start Early
United Food & Commercial Workers - Local 881 (UFCW - 881)
United Way of Illinois
United Way of Metropolitan Chicago
UpTogether
Warehouse Workers for Justice
Women Employed
Woodstock Institute
Worker Center for Racial Justice
Young Invincibles

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