

Coalition on Human Needs

- Alliance of about 100 national groups – service providers, faith groups, policy experts, labor, civil rights, and other advocates
- Mission: advocate at the federal level to meet the needs of people with low incomes; increase knowledge of positive outcomes from current or proposed programs
- Helped lead Count All Kids in 2020 Census



COALITION ON HUMAN NEEDS

Partnership for America's Children

- Over 50 members in 40 states
- Partnership members are
 - Multi issue child advocacy organizations
 - Independent
 - Nonpartisan
 - Nonprofit
 - Working at the state or local level
- Helped lead Count All Kids for the 2020 census



PARTNERSHIP
FOR AMERICA'S
CHILDREN

State and local child advocates working
together for a better future

The Opportunity – Help 10 million Children Thrive

- The American Rescue Plan Act that became law in March expanded the Child Tax Credit for tax year 2021.
- The expanded CTC could help cut the child poverty rate nearly in half
 - Nearly 10 million children either lifted out of poverty or made less poor
 - 27 million children under 17 in families with incomes too low to get full previous credit of \$2,000 will benefit from permanent expansion
- 13% of eligible families need to act to get the credit
- Can also get their stimulus payments

What is the Expanded Child Tax Credit?

- The 2021 CTC was expanded in three ways
 - The amount of the credit is higher: \$3,600 per child age 0 to 5, \$3,000 per child age 6 to 17 (used to be \$2,000 for one, \$4,000 for two or more)
 - Even families with no earned income at all get the full credit (used to require at least \$3,000 in earnings)
 - Half can be paid monthly (started in July); the other half when people file taxes in 2022 for the 2021 tax year.
 - Whenever they claim it, they will get half by December 2021. (Monthly payments will be larger if they claim it later in 2021)
- **Right now, Congress is considering extending the CTC for more years, and making full refundability permanent**

Who is Eligible?

- Children's age – birth through 17
- US Residence
- Adult may have SSN or ITIN; children must have SSN's
- Relationship: taxpayer's son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, a grandchild, niece, or nephew)
- Living situation – must have lived with qualified person at least 6 months plus one day

How Much Money Is At Stake

Example: For a family of 1 adult, a child age 3 and a child age 6:

- Between July and December, each month \$300 for the child age 5 or less, \$250 for the child age 6 to 17 (if they file soon, likely can get 2 payments of \$900 in Nov. and Dec. for 3-year-old and 2 payments of \$750 for 6-year-old)
- When they file their 2021 taxes in 2022, another \$3,300
- In addition, their stimulus payments would add up to \$8,200
 - (\$2,500 per child; \$3,200 per adult – so, 2 adults + 2 children = \$11,400)

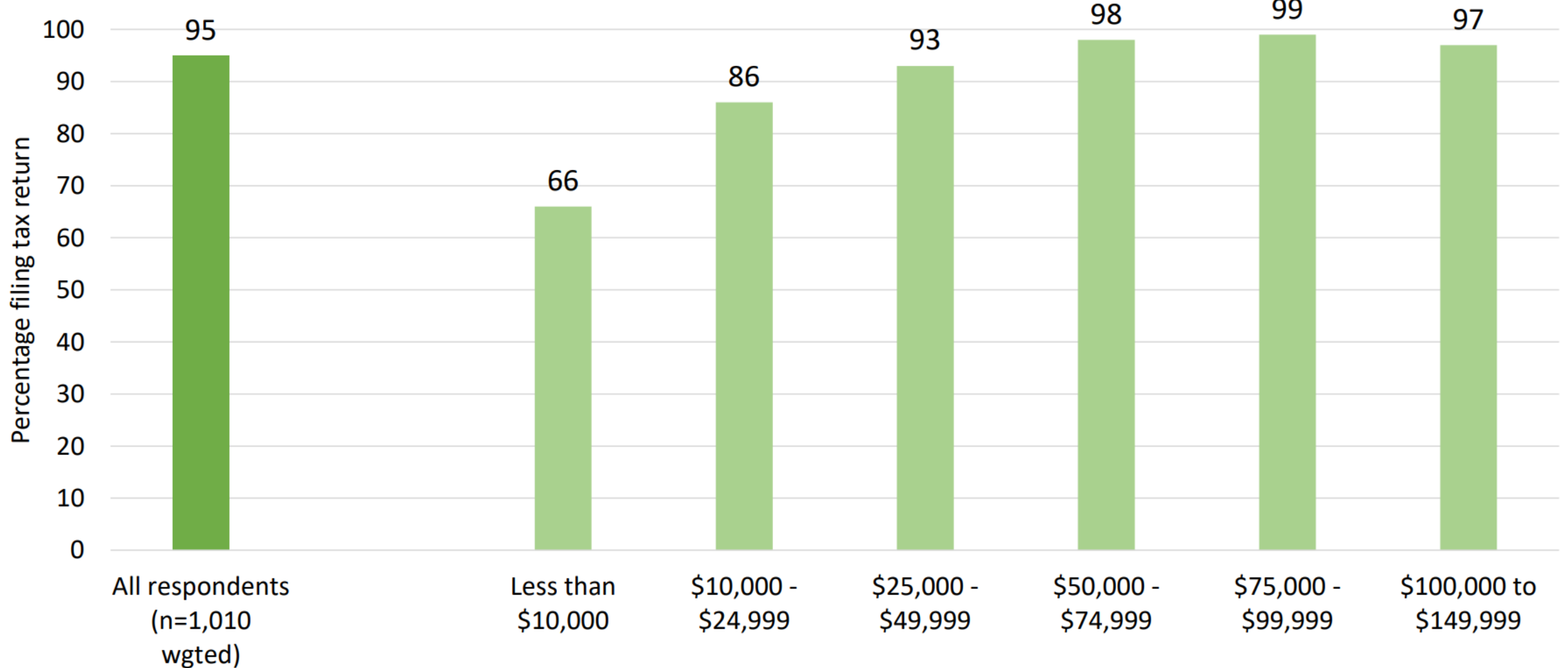
If they file their full taxes for 2020, also get their 2020 EITC which could be up to \$5,920 (depending on income)

Other Credits They Can Claim If They File A Tax Return

- EITC
 - EITC for past years: For example, can get the EITC for 2018 if they file their 2018 tax return by April 15, 2022
- EITC for adults without child dependents
 - Homeless youth
 - Youth aging out of foster care
- \$500 dependent credit for those over 17
- Emergency Broadband assistance

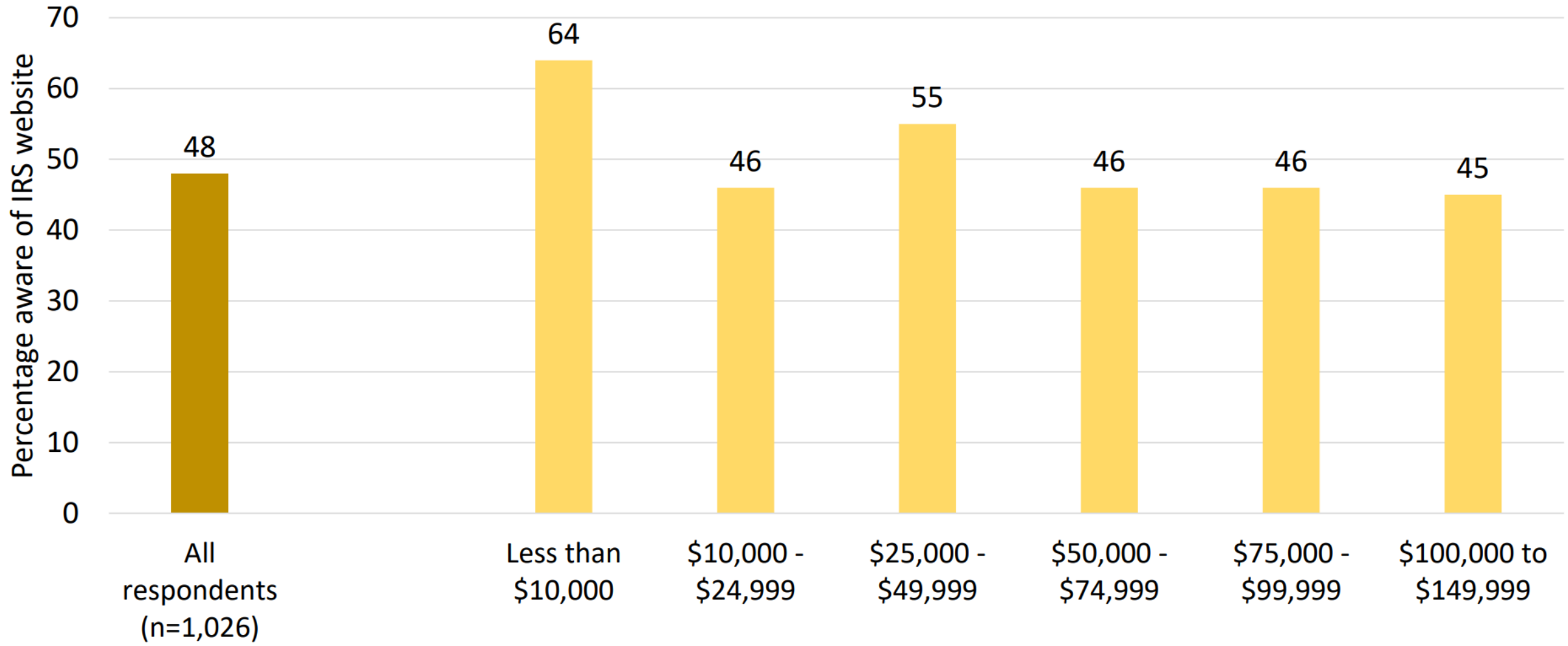
Filing: 95% of CTC-eligible families filed a 2019 or 2020 tax return, but rates differed by income level

Percentage filing tax return (significant subgroup differences)



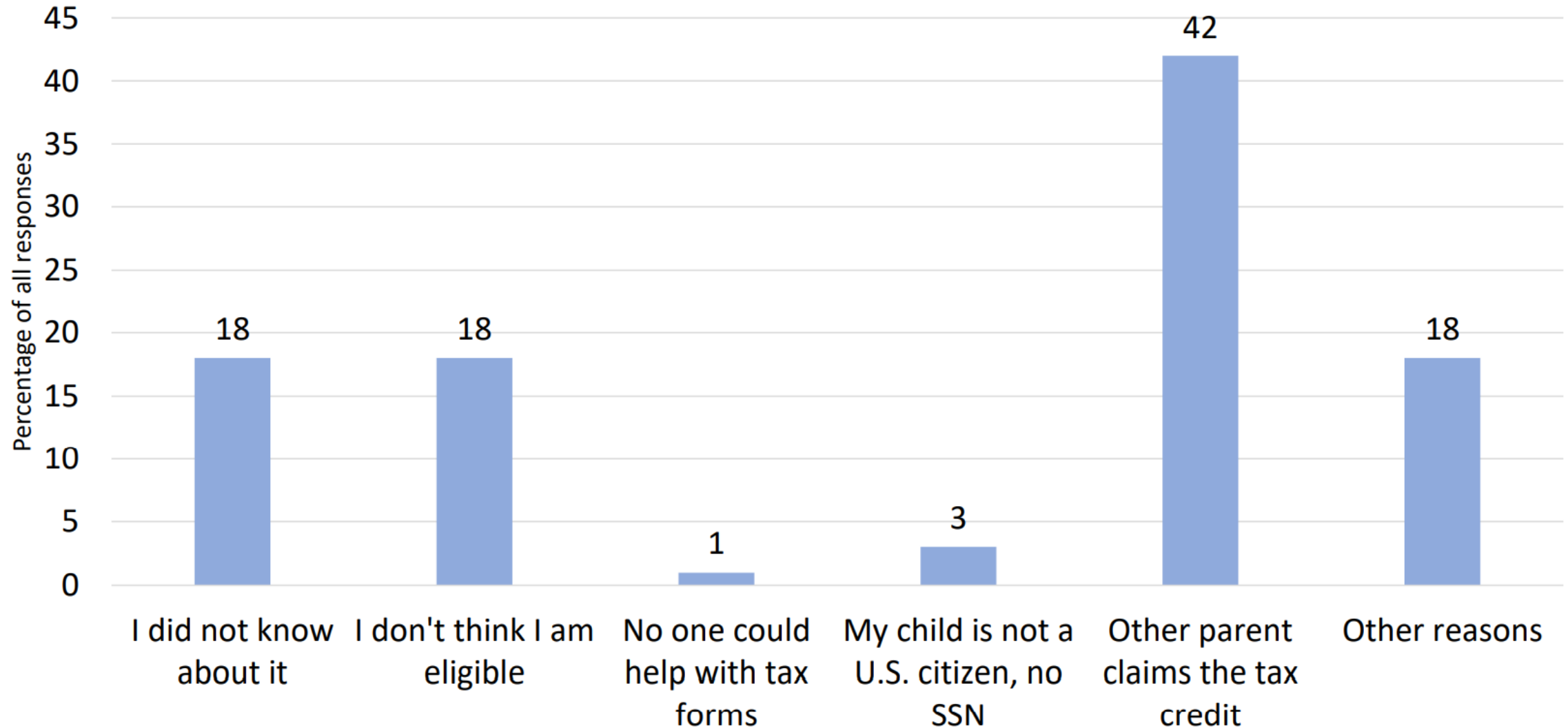
Under half the respondents were aware of the IRS website to apply for advance payments

Percentage aware of IRS website,
significantly *higher* for very low-income families



Reasons for not claiming the CTC

"Why did you not claim the CTC?"
(percentages for $n=101$ weighted responses)

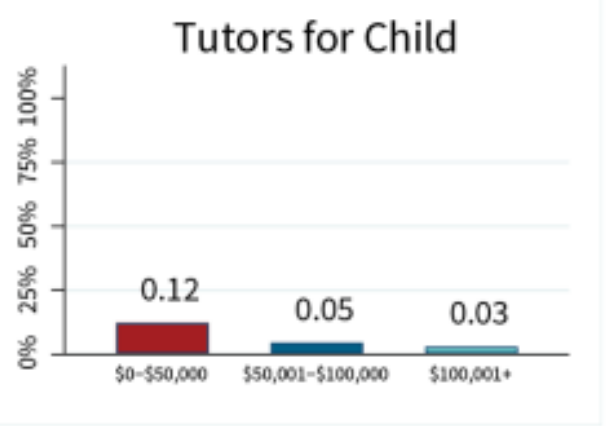
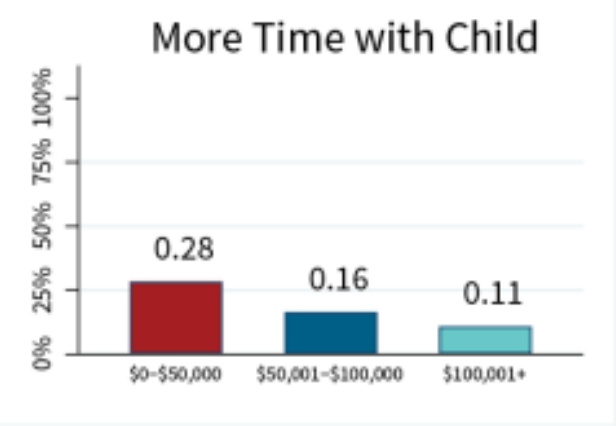
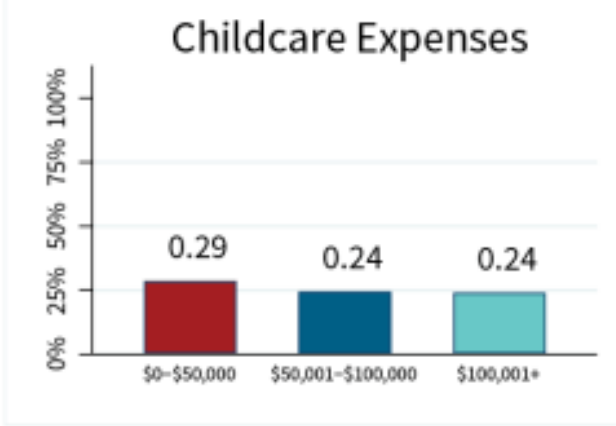
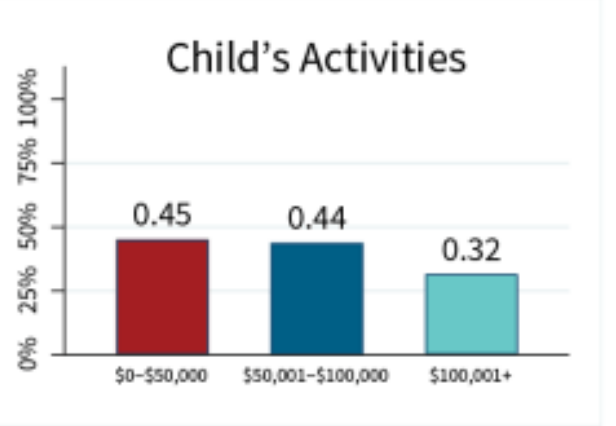
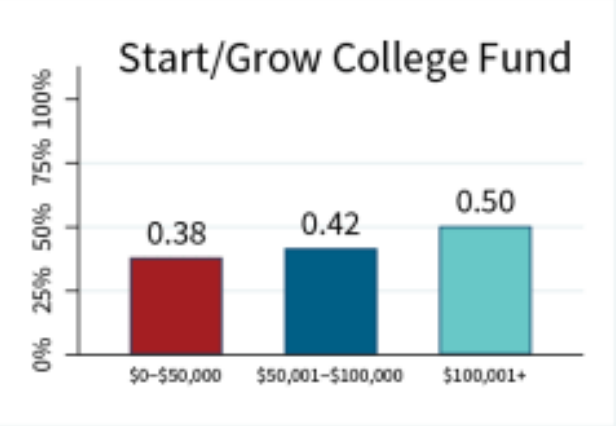
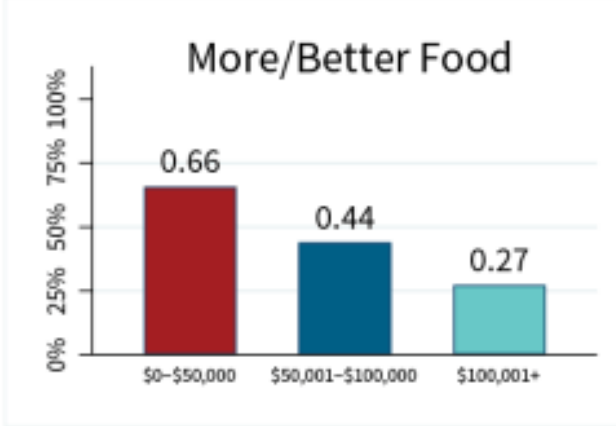
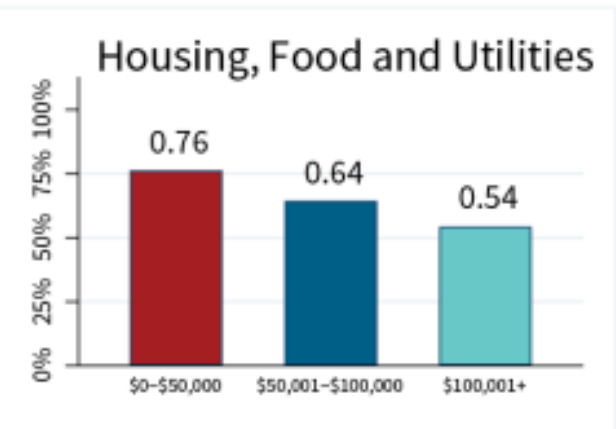
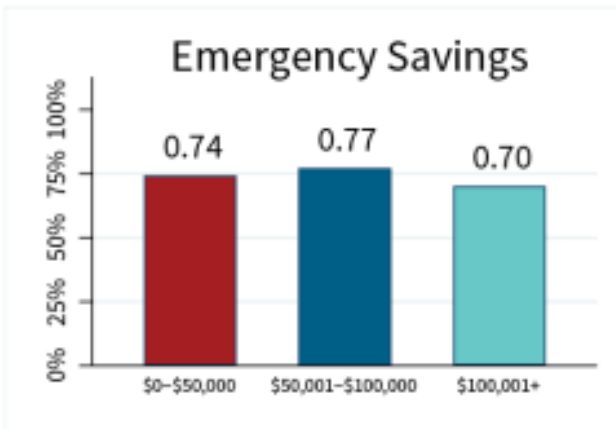


What did families spend the CTC on?

Of those who reported receiving the Child Tax Credit (9/1 – 9/13), proportions who said they spent it on

- Food: 52%
- Clothing: 32%
- Combined school-related items: 43%
- Rent: 17%
- Utilities: 29%

(source: Census Bureau's Household Pulse survey)



After first CTC payment, 30% drop in reports of sometimes/often not having enough to eat in the previous week; 43% drop among those under \$35,000 income.

	Before First CTC Payment	After First CTC Payment
Households With Children	13.4%	9.4%
Households Without Children	7.2%	7.1%

Columbia U. Center on Poverty and Social Policy, analysis of Census Household Pulse data

The Challenge

- Some eligible families need to take action to get the credit – **and they are the poorest families**
- These are families that didn't file their 2019 or 2020 taxes (generally not required to because of low income) and didn't file to get their stimulus payments (Economic Impact Payments or EIPs)
- Complicated family relationships can make it harder to claim the CTC
- We believe they need trusted voices to persuade them to apply
- We are conducting research to find out why they didn't apply and what messages will help persuade them to apply

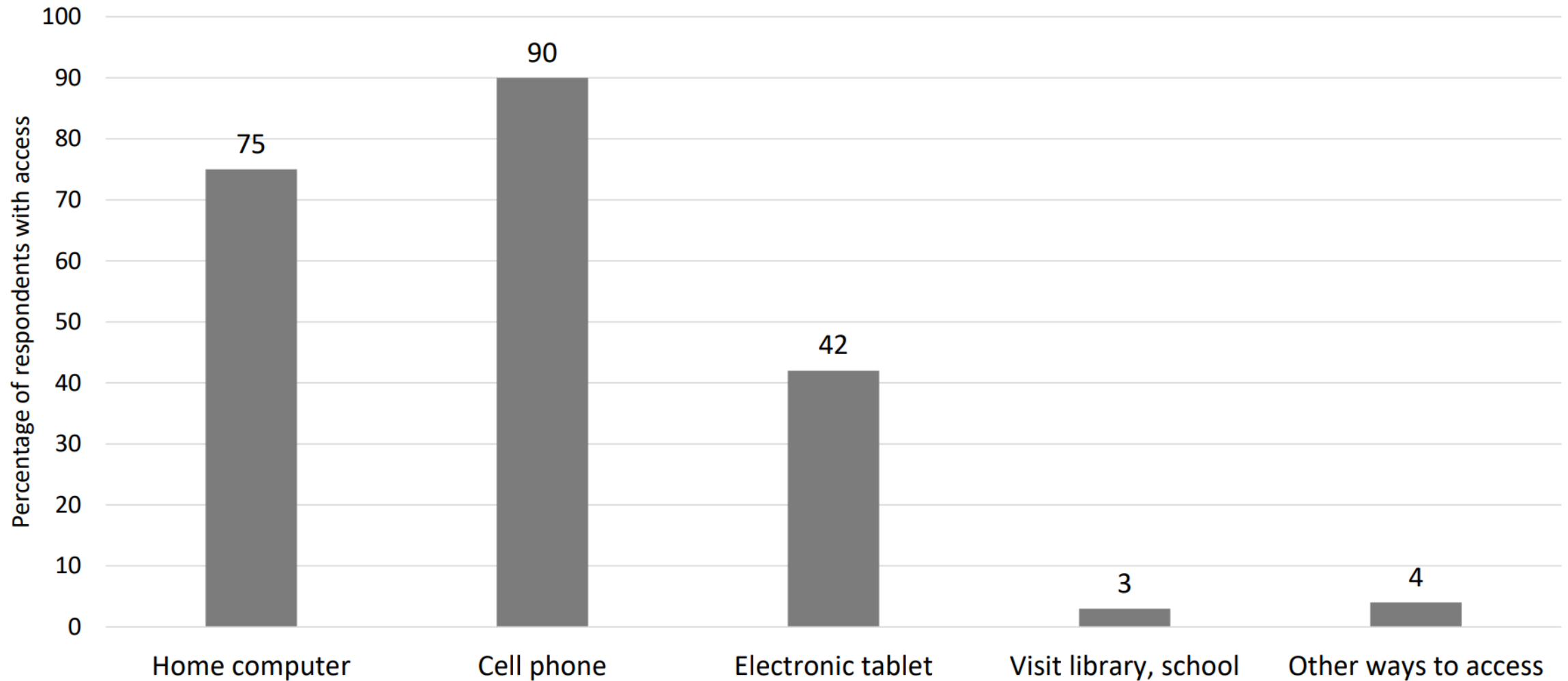
Three Options

- Use the **nonfiler portal** to start getting the advance payments
- File their 2020 tax returns now
- Wait and file their 2021 tax returns in 2022

- The nonfiler portal is easier: see how it works:
https://www.youtube.com/watch?v=nGoyN_M9SfQ
- But: filing a tax return for 2020 may get them other payments too (like the EITC)

Near-universal access to the internet, with heavy reliance on cell phones

Percentage of respondents ($n=1,023$) with internet access by device or location



Second IRS Online Filing Site

- **CTC Update Portal:** Separate portal for those who filed their 2020 tax returns
- Use it to:
 - Check if enrolled for advance payments
 - Unenroll from advance payments
 - Provide or update bank account information
- Promised, but not possible now:
 - Change the listed dependents, marital status or income
 - Re-enroll if previously unenrolled

Lots of Resources -

Fact sheets, FAQ's, posters, flyers, access to training, links to filing and updating portals, and more...

Google Doc constantly being updated -

https://docs.google.com/document/d/1XU3CZYDe_MrAzwNdqnv9nIW_q98iigwdOfozpLiSM/edit#

What Service Providers Can Do

- **Inform:**

- Make sure families know about the CTC, through signs, flyers, phone/text messages, part of intake – provide info in multiple languages
- Refer to filing help now and after January – VITA sites, Low Income Taxpayer Clinics
- Show videos/powerpoints on how to apply

- **Train staff/volunteers:**

- So they can answer basic questions, prepare people to gather needed information for filing, and guide people through online filing

- **Provide site(s) for helping people to file:**

- Hold info sessions; guide people through filing using their phones at getctc.org or make computers available

How we can help

- Help you decide what activities you can do
- Connect you to resources –
 - other groups doing complementary work
 - materials you can use
 - training
 - tax experts
- Help with info to help you target outreach most effectively
- Keep you informed of messaging research – focus groups

We can't let the new CTC expire after 1 year!

- If you can, please tell your Senators and Rep how important the expanded Child Tax Credit is for children and families you serve –
 - Urgently, it must continue to serve the poorest families with children (full refundability)
 - It must allow children to get the CTC whether they have SSN's or ITINs
 - It must continue to serve homeless youth and youth aging out of foster care, and kids through age 17
 - The increased amount must continue!

You can send an email to Congress – www.chn.org; click on “TAKE ACTION”

Thanks!

Questions?