



Legislative Testimony
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**Written Testimony Supporting Senate Bill 740, An Act Establishing a
Refundable Child Tax Credit and House Bill 5986, An Act Establishing a
Refundable Child Tax Credit Against Personal Income Tax**

Senator Fonfara, Representative Horn, Ranking Members Fazio and Polletta, and members of the Finance, Revenue, and Bonding Committee:

My name is Jess Zaccagnino, and I am the policy counsel of the American Civil Liberties Union of Connecticut (ACLU-CT). I am writing to testify in support of Senate Bill 740, An Act Establishing a Refundable Child Tax Credit and House Bill 5986, An Act Establishing a Refundable Child Tax Credit Against Personal Income Tax.

People in Connecticut cannot have a future here if they cannot afford to live here. When the cost of living becomes unaffordable, there are cascading effects—like displacement from beloved homes, neighborhoods, and schools. We are experiencing a cost of living crisis in Connecticut. The United Way of Connecticut’s ALICE (Asset Limited, Income Constrained, Employed) report found that nearly 40 percent of families in Connecticut cannot make ends meet.¹ Black families and families of color are disproportionately affected: 23 percent of Black children and 27 percent of Latine children live in poverty, compared to 6 percent of white children.²

The ACLU-CT believes in a society where all children and families can flourish. All children deserve to have their basic health needs met without their parents facing

¹ *United for ALICE*, Conn. United Way (accessed Feb. 21, 2025), <https://alice.ctunitedway.org/>.

² Karla Ciaglo, *Connecticut Democrats Advocate for Permanent Child Tax Credit to Ease Family Burden*, CT NEWS JUNKIE (Jan. 28, 2025), <https://ctnewsjunkie.com/2025/01/28/connecticut-democrats-advocate-for-permanent-child-tax-credit-to-ease-family-burden/>.

economic detriment. Inflation remains extraordinarily high, resulting in people needing to choose between purchasing food or diapers or delaying medical care. We support programs that seek to close the racial wealth gap and break the cycle of poverty. Connecticut is the only state that taxes personal income without adjusting for family size. A refundable child tax credit is one way of providing families with some relief from Connecticut's high costs of living. The bills would provide permanent, refundable, and immediately effective relief to low-income and middle-class families at \$600 per child. A robust child tax credit program would benefit 550,000 children and 75 percent of Connecticut families, directly reinvesting our tax dollars in families.³ Families may use their tax credits immediately, bolstering our local businesses: for every dollar invested in families, \$1.37 is returned to the local economy. A refundable credit will benefit families with little or no income tax liability but who still pay other taxes (*e.g.*, sales) rather than a more limited tax deduction. Senate Bill 740 and House Bill 5986 would be a vital lifeline for Connecticut families during increasingly difficult economic conditions. As such, the ACLU-CT supports these bills and urges this Committee to do the same.

³ *Unlocking Solutions: 2025 Policy Agenda*, CONN. UNITED WAY (accessed Feb. 21, 2025), <https://www.ctunitedway.org/advocacy/policy-2/#CTC>.