

Congress of the United States
Washington, DC 20515

May 7, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer,

As we enter the fourth phase of our legislative response to the COVID-19 pandemic, we need to redouble our efforts to prioritize the needs of the most vulnerable. A recent Columbia University study shows children are among those who are at particular economic risk at this moment. The researchers estimate that poverty rates are rapidly climbing, potentially to the highest levels since the measure was created in 1967, with the rise in poverty rates among African Americans and children especially alarming.

The CARES Act took an important step by addressing the urgent needs of the half of American households with children as well as the other half of households without children. Adults are receiving checks for \$1,200, while kids only receive \$500, meaning the CARES Act counts a child as two-fifths of a person. With child poverty on the rise, a policy resulting in a parent with two kids getting less assistance than a childless couple is unfair and unequal. At a time when costs for families are rising because children are out of school or out of daycare where many of their essential needs are provided, it is critical we address the rising rates of child poverty.

Right now, the current Child Tax Credit leaves behind one-third of all children who are in families who earn too little to get the full credit. Those left behind include one-half of African American and Hispanic children (because their parents earn less than other parents). Those disproportionately left behind also include families with young children, rural families, and families headed by women. In a study funded by Labor-Health and Human Services-Education appropriations, the National Academy of Sciences found that of all policies they examined to cut

child poverty, a Child Tax Credit - that critically includes the one-third of children left behind by the current policy - would have the greatest impact on reducing child poverty.

In order to meet those needs, the next supplemental package must include creating a Fully Refundable Child Tax Credit (CTC) and Lookback Provision for the Earned Income Tax Credit (EITC) and CTC.

- **Make the Child Tax Credit fully refundable and make it retroactive to last year:** Extend eligibility for the Child Tax Credit to the one-third of families who earn too little to get the full Child Tax Credit. Doing so would ensure all families (except for the wealthiest) get a full \$2,000 per Child Tax Credit, while providing the increase to the one-third of families who need it the most.
- **Increase the Child Tax Credit by \$1,000 for older kids and \$1,600 for young kids under 6:** If we want to help all families, we can also increase the Child Tax Credit by an additional \$1,000, and for young children under age 6, whose families face additional expenses, by an additional \$600.
- **Protect families when they file their taxes next year:** Create a “lookback provision” for EITC and CTC to allow families to use their previous years’ earnings to calculate their EITC and CTC to prevent families from getting an economic aftershock when they file their taxes next year. Lookbacks began with Hurricanes Katrina, Rita, and Wilma in 2005 for affected individuals and have become routine with more recent disasters.
- **Protect families subject to asset limits for government programs like SSI and Medicaid:** Exempt the increases in CTC and EITC for families that could be at risk of getting kicked off lifesaving and life-sustaining program or having a reduced benefit down the road.
- **Provide authority to deliver the payments as a monthly credit or as frequently as feasibly administrable.**

It is critical in this crisis that all children and families have the assistance they need to deal with pressing and increasing costs. Thank you for your consideration of this request.

Sincerely,



Rosa L. DeLauro
Member of Congress



Suzan K. DelBene
Member of Congress

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