

Testimony as Prepared for Delivery in support of HB23-1112: Earned Income and Child Tax Credits by Sarah Barnes, Director of Family Economic Prosperity Initiatives at the Colorado Children's Campaign

House Finance Committee

Feb. 13, 2023, 1:30 p.m.

HCR 0112

- Chair and members of the committee, my name is Sarah Barnes and I am the Director of Family Economic Prosperity Initiatives at the Colorado Children's Campaign.
- The Colorado Children's Campaign is a non-profit, non-partisan, policy, research and advocacy organization, committed to securing every chance for every child in Colorado since our founding in 1985. That includes advocating for the economic prosperity of Colorado kids and their families.
- Thank you for the opportunity to testify today in support of HB 1112.
- The Earned Income Tax Credit (the EITC) and the Child Tax Credit (the CTC) are two of the most powerful tools we have available to lift children out of poverty.
- For young children, experiencing poverty can inhibit early brain development and negatively impact their ability to succeed in school and develop social-emotional skills.
- Expanding our state EITC and CTC through HB 1112 is a targeted solution that will place more money back into the pockets of families to help with the cost of necessities like housing, food, school supplies and clothing. It will also help families afford the cost of childcare, which supports children's healthy development and allows parents to work.
- Research shows that additional income coming into low-income households when children are growing up has immediate and long-lasting positive impacts on child outcomes.
- The expansion of the federal CTC during the pandemic kept millions of U.S. children from falling into poverty during a time of widespread economic turmoil and uncertainty. In doing so, it highlighted how much progress toward family economic prosperity is possible when policymakers prioritize direct cash assistance to families with children.
- Cash payments to families through the EITC and CTC allow them to use the money flexibly and prioritize their most pressing needs. Food, rent, utilities and clothing were consistently among the top reported uses of expanded CTC payments among Colorado families.
- HB 1112 would improve our state EITC and CTC and show our collective commitment to providing the best chance for every child to thrive and demonstrate our values of equity for every Colorado family.
- We urge your support of HB 1112. Thank you.