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## **House Tax Bill's Child Tax Credit Increase Excludes 159,000 Wisconsin Children in Low-Income Working Families**

Congressional leaders contend that working families would benefit from their tax cut plan because of an increase in the maximum value of the federal Child Tax Credit (CTC). However, that part of the bill completely excludes 159,000 children in Wisconsin whose parents work in low-paying jobs, according to a new analysis.

House leaders intend to hold a floor vote on their tax plan this week. The Senate tax plan is likely to be voted on after Thanksgiving.

[A new report](#) from the Washington, DC-based Center on Budget and Policy Priorities concludes that about one in three Wisconsin children in working families would either be excluded entirely or only partially benefit from the proposed increase in the CTC.

Nationally, roughly 23 million children would be partially or entirely excluded from the House Republicans' plan, even as it expands the credit to families with incomes between \$150,000 and \$294,000. For example, a single mom of two working full-time at the minimum wage would get no benefit from the CTC expansion under the House Republican plan, but a married couple earning \$230,000 would receive a new \$3,200 benefit.

"Helping families who are struggling to make ends meet gives children a better shot at success. Research indicates that boosting parents' incomes helps kids do better in school, and makes them healthier and more likely to go to college," said Jon Peacock, director of the Wisconsin Budget Project. "Leaving out low-income working families, while expanding the credit to include more high income families, makes no sense."

Late last week Senate leaders introduced their own tax plan, which makes similar changes to the Child Tax Credit, but expands it to an even larger number of wealthy Americans, while also providing a very small increase for low-income working families.

Under the Senate bill, a single mother with two children working full-time as a home health aide at the federal minimum wage and earning \$14,500 would get a \$75 increase in her CTC, whereas a couple with two children earning \$1,000,000 would receive a *new* CTC worth \$3,300.

### **House Republican Tax Plan Would Largely Benefit the Wealthy at Expense of Everyone Else**

Even as the House Republican tax bill excludes nearly 160,000 Wisconsin children from its CTC expansion, it spends billions of dollars on large tax cuts for the wealthiest families and profitable corporations. According to the Institute on Taxation and Economic Policy, the wealthiest 1 percent of Wisconsinites would receive an average tax cut of \$81,330 by 2027, when the plan's provisions are fully in effect.

The House bill's tax cuts, like those in the Senate bill, would increase the federal deficit by at least \$1.5 trillion over the next decade. Congressional Republicans are likely to then use rising deficits to justify seeking large cuts in programs like Medicaid, food assistance for struggling families, education, job training, and college aid – programs that help everyday Americans make ends meet, access health care, and succeed in today's economy.

“The Republican tax bill excludes millions of low-income working families,” said Peacock. “But when Congress gets around to paying for these tax cuts, those are the families that will bear the brunt of cuts in education, job training, health care, and other key programs.”

Peacock said Congressional leaders should “develop and pass a bipartisan tax bill that helps all low- and middle-income workers and families, doesn't cut taxes for the wealthy, and doesn't increase the deficit.”

For more information about the proposed changes to the child tax credit, see: “[House Tax Bill's Child Tax Credit Increase Excludes Thousands of Children in Low-Income Working Families in Every State.](#)”

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The Wisconsin Budget Project, an initiative of Kids Forward, is an independent Madison-based research group that focuses on tax and budget policy.