



April 22, 2025

Representative Marvin Abney, Chair

House Finance Committee

Rhode Island State House

Providence, Rhode Island 02903

**RE: Testimony in Support of House Bill 6073 An Act Relating to Taxation – Personal Income Tax –
Child Tax Credit**

On behalf of United Way of Rhode Island, we express our support for House Bill 6073, which aligns with our commitment to ensuring that all Rhode Islanders have access to economic opportunity and financial stability. Through the **Lift United** initiative of our **Live United 2025 Strategic Plan**, we work to remove barriers to financial security, support workforce development, and strengthen pathways to upward mobility. Equity is at the heart of our mission, ensuring historically marginalized communities have the resources to thrive.

House Bill 6073 recovers the enormous success of the child tax credit that was implemented federally during the pandemic emergency period. Bringing the child tax credit back to Rhode Island in the amount of \$1,000 per dependent minor will provide families with much needed economic relief. This bill lifts low- and moderate- income households in direct alignment with UWRI's mission to build a more equitable Rhode Island through educational achievement, housing stability, and economic empowerment.

UWRI partners with several community partners who provide Volunteer Income Tax Assistance (VITA). Through 211, UWRI's Human Service Helpline, Rhode Islanders are connected with a trusted community organization that hosts tax filing sessions with IRS-certified volunteers. For many households, tax filing would be impossible without a qualified professional's oversight, and many of those households cannot afford traditional tax filing services. As of April 14, VITA sites have filed **9,994 federal tax returns** and **10,309 state returns**. VITA sites have returned a total of **\$19.2 Million** to Rhode Islanders, including **\$4.6M in Earned Income Tax Credits (EITC)** and **\$3.25M in Child Tax Credits**. Compared to this time last year, VITA sites have filed more than 950 additional returns and

Uniting our community and resources to build racial equity and opportunities for all Rhode Islanders

returned an additional \$700,000 to Rhode Islanders. A Rhode Island Child Tax Credit would improve that return and increase incomes for low-income households.

The federal child tax credit is \$2,000, and the proposed Rhode Island Child Tax Credit is \$1,000. By the preliminary VITA results, this bill would result in an additional \$1.6M in tax credits that reduce the taxable income of the households who file with VITA. The **average adjusted gross income of VITA households is \$32,219**. Distributed across these 10 thousand households, a Rhode Island Child Tax Credit goes a long way to increasing Rhode Islanders' returns.

As the cost of housing, food, childcare, and healthcare continues to increase, many Rhode Islanders are becoming trapped in a cycle of poverty. For the majority of low-income households, tax returns are used to catch up on bills or make repairs to homes or cars they've been putting off. Alarming, an increasing number of low-income households are using tax refund money on health care they've been deferring. A tax refund is a lifeline for Rhode Islanders trying to achieve economic stability, and increasing the strength of that lifeline improves incomes, which are directly tied to health outcomes and educational achievement.

By supporting House Bill 6073, Rhode Island can continue making strides toward economic mobility for all. This investment will ensure that Rhode Island families can access the resources they need to thrive, reducing long-term reliance on emergency assistance and strengthening our local economy. We urge you to support this measure and stand with us in our commitment to creating a more equitable and financially secure Rhode Island.

Sincerely,

Peggy Desjarlais

Housing and Economic Development Policy, United Way of Rhode Island