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Testimony Re: House Bill 7127, Article 5, Section 5 – Child Tax Credit
House Finance Committee
March 3, 2026
Paige Parks, Executive Director

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony. Rhode Island KIDS COUNT would like to voice its **strong support** for Article 5, Section 5 of the Governor's Proposed FY2027 budget. This proposal would create a new refundable state Child Tax Credit of \$325 per dependent child under age 19, replacing the existing dependent child exemption. We thank Governor McKee for including this important proposal into his budget.

Poverty is related to every indicator in the [*Rhode Island KIDS COUNT Factbook*](#). Children in poverty, especially those who experience poverty in early childhood and for extended periods, are more likely to have physical and behavioral health problems, experience hunger, experience difficulty in school, become teen parents, and earn less or be unemployed as adults. Children in poverty are less likely to be enrolled in preschool, more likely to attend schools that lack resources, and have fewer opportunities to participate in extracurricular activities.

The federal government established a Child Tax Credit in 1997 to promote economic stability for families and reduce child poverty by offsetting some of the costs of raising children, which made a significant difference in lifting families with children out of poverty, especially during the COVID-19 pandemic when it was temporarily made fully refundable and minimum earnings requirements were waived.

According to the Prenatal-to-3 Policy Impact Center, the temporary expansion of the federal Child Tax Credit in 2021:

- Decreased depressive and anxiety symptoms, especially among Black parents
- Improved nutrition outcomes
- Improved food security
- Had little to no adverse impacts on employment

There are 17 states that have created their own Child Tax Credit in addition to the federal credit, with most of these states making the credit refundable. Nearby states with Child Tax Credits include Maine, Massachusetts, New Jersey, New York, and Vermont.

Early findings show that state Child Tax Credits are promising strategy to reduce child poverty, strengthen family economic stability, and reduce child maltreatment.

Rhode Island KIDS COUNT also strongly supports Representative Tanzi's bill which would create a new refundable state Child Tax Credit of \$1,000 per child.

Thank you for this opportunity to provide testimony.