



February 20, 2024

John Wilson, President & CEO  
Kansas Action for Children  
Verbal Proponent Testimony for HB 2687  
House Committee on Taxation

Chairman Smith and members of the Committee:

Thank you for the opportunity to provide proponent testimony in support of HB 2687, which would establish a universal state child tax credit ranging from \$25 to \$600 per child or dependent.

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

The Institute on Taxation and Economic Policy (ITEP) estimates this child tax credit will help around 647,000 kids living in Kansas households. ITEP also estimates around \$145 million would be given back to Kansas families each year, of which about \$133 million would benefit the bottom 80% of tax filers.

### Bill Features

The credit amount varies based on the filer’s Kansas Adjusted Gross Income (KAGI). Income guidelines are identical for married individuals filing jointly or as an individual. The threshold for income amounts and credit amounts is indexed to cost-of-living per a federal formula each calendar year after 2024.

Kansas Adjusted Gross Income	Amount of Credit Per Qualifying Child
\$0 to \$25,000	\$600
\$25,001 to \$50,000	\$400
\$50,001 to \$75,000	\$200
\$75,001 to \$100,000	\$100
\$100,001 to \$200,000	\$75
\$200,001 to \$350,000	\$50
\$350,001+	\$25

Additionally:

- A child can only be claimed by one taxpayer per year; married individuals filing separately may each claim half of the credit amount.
- A qualifying child is one who is 17 or younger as of the end of the calendar year in which the taxable year begins.
- There is no limit to the number of qualifying children a parent can claim for the credit.

## The Need for a State Child Tax Credit

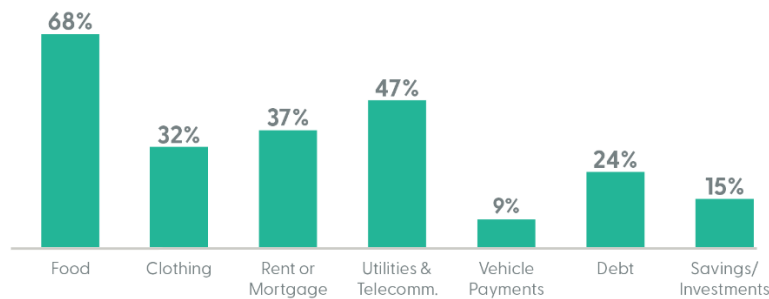
Many families in Kansas are struggling right now<sup>1</sup>:

- In November of 2022, 46% of households with children had difficulty paying household expenses.
- 21% of Kansas families are considered low-income (below 200% of the FPL).
- 13% of Kansas kids (0-18) live in poverty (100% or less of the FPL).

Refundable tax credits like this proposed child tax credit are shown to be the most effective economic policy in reducing childhood poverty.<sup>2</sup> In fact, temporary expansions in the federal CTC reduced poverty to record lows, decreased poverty rates by more than 40%, and lifted 2.9 million children out of poverty nationwide.<sup>3</sup>

Families use the extra resources from the child tax credit for everyday expenses like rent, utilities, child care, groceries, and transportation. There are other benefits associated with a child tax credit, including improvements in infant and maternal health, reduced childhood hunger, and higher graduation rates.

### How Households with Children Used the Expanded Federal Child Tax Credit



Source: KIDS COUNT Data Center.  
Note: Latest spending was examined from Jan. 26, 2022–Feb. 7, 2022.

The expansion of the federal child tax credit led to the lowest childhood poverty level on record. While the federal expansion was not continued and efforts to do so are stalled at the time of this writing, states across the country have instituted (or expanded) their state CTCs to support the well-being of children. Fifteen states now offer child tax credits to enhance the economic security of families with children, particularly those in lower- to middle-income brackets.

Kansas lawmakers should join the bipartisan effort to enact a proven strategy to reduce childhood poverty by establishing a state child tax credit. We ask you to recommend HB 2687 favorable for passage and advocate for the policy to cross the finish line during the 2024 legislative session.

If I can be of further assistance, please contact me at [john@kac.org](mailto:john@kac.org).

<sup>1</sup> Kansas Action for Children (2022). *KIDS COUNT Datacenter*. <https://datacenter.aecf.org/data?location=KS#KS>

<sup>2</sup> U.S. Census Bureau (September 2023). *Poverty in the United States: 2022*.

<sup>3</sup> U.S. Census Bureau (November 2022). *The Impact of the 2021 Expanded Child Tax Credit on Child Poverty*.