



ENVISIONING A BRIGHTER FUTURE: MISSISSIPPI CHILD TAX CREDIT IMPLEMENTATION

The Child Tax Credit supports working families with children by reducing families' tax bills or increasing their refund checks up to \$2,000 per eligible child.

Nationally, nearly 40 million families and 65 million children benefited from the expanded federal Child Tax Credit in 2021.¹ In Mississippi, as of March 2022, the federal Child Tax Credit benefited 396,000 Mississippi families with 632,000 children.²

A single mother of two, annually earning \$14K can receive \$1,725 , or roughly \$850 per child, as a refund currently.

Source: Center on Budget and Policy Priorities



A Mississippi Child Tax Credit Could Expand Children's Opportunities

- by providing for families' immediate needs such as food, clothing, and other necessities, and³
- supporting childrens' improved educational, income, social-emotional, and health outcomes in adulthood.⁴

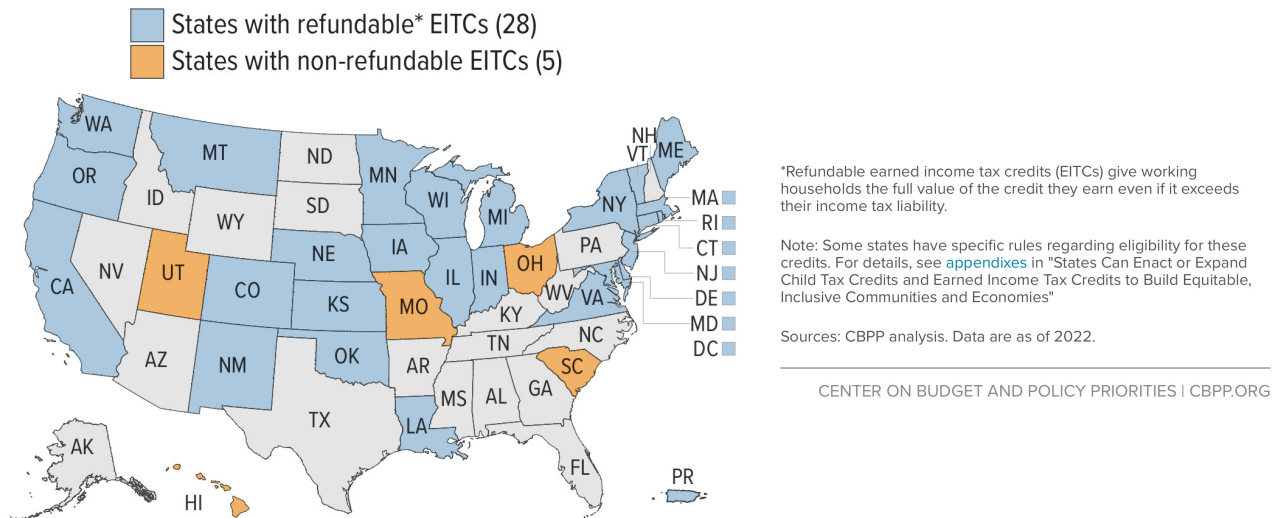
According to the Center for Budget and Policy Priorities, in 2018, the federal Child Tax Credit coupled with the Earned Income Tax Credit together lifted more children above the poverty line—5.5 million—than any other economic support program.⁵

Eleven states have enacted a Child Tax Credit.

31 States, D.C., and Puerto Rico Have Adopted EITCs; 11 Have Adopted Child Tax Credits

Earned Income Tax Credit

Child Tax Credit



Given that Mississippi has the highest child poverty rate in the nation, state policymakers should join the momentum across the country of enacting a state-level Child Tax Credit to help build on the success of the federal credit.

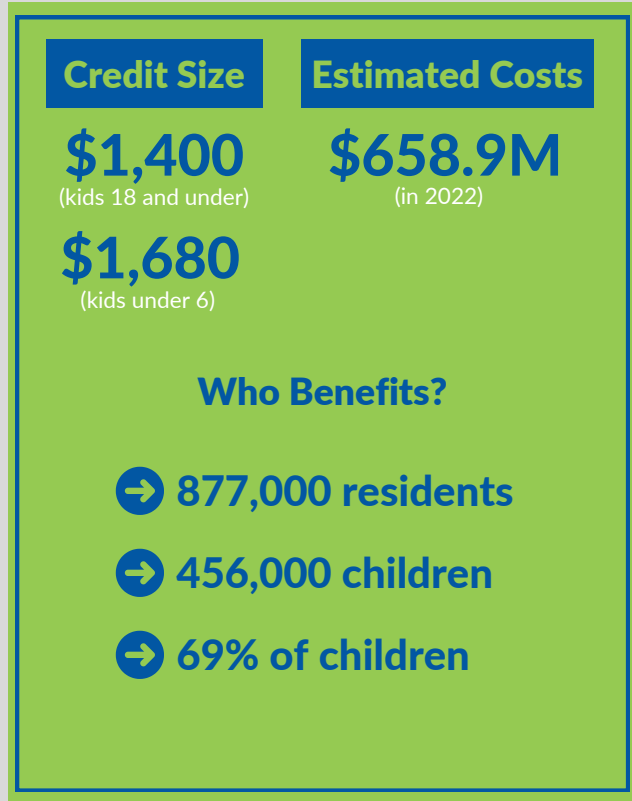
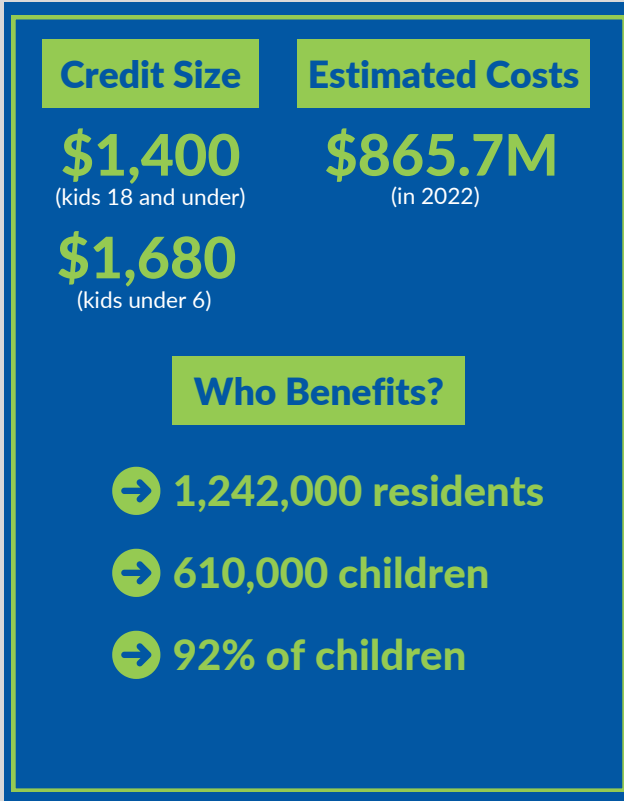
If state lawmakers were to adopt a Mississippi Child Tax Credit, it should:

- be refundable,
- be extended per child,
- include a young child bonus,
- be eligible for all residents
- be indexed so it does not erode over time, and
- be advanceable monthly.

According to a recent report, a well-designed Child Tax Credit could help hundreds of thousands of Mississippians and lift tens of thousands of children out of poverty.⁶

➔ **OPTION 1: More universal**

➔ **OPTION 2: More targeted**

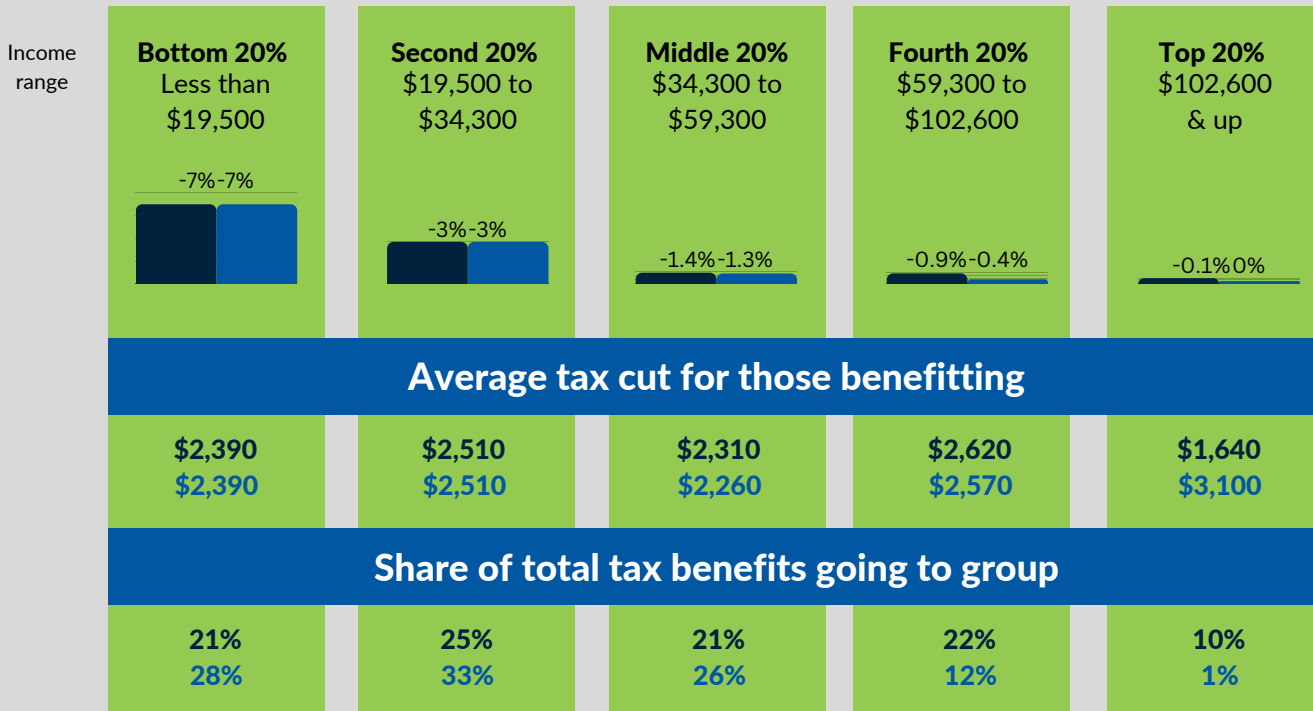


*Benefit phase-out extends higher up the income scale and is available to more middle-class families; phase-out for joint filers after \$110,000 of income.

*Benefit phase-out more exclusively benefits families experiencing periods of low income; phase-out begins when a family (depending on size) is no longer EITC eligible.

Average tax change as percentage of income, by income group, 2022

■ More universal ■ More targeted



Source: Institute on Taxation and Economic Policy, Columbia Center on Poverty and Social Policy, 2022

Poverty is a policy choice. Now is the time for state lawmakers to make a different choice and build a better future.

1 "Briefing Book: A citizen's guide to the fascinating (though often complex) elements of the US tax system." Tax Policy Briefing Book Urban Brooking Tax Policy Center, <https://www.taxpolicycenter.org/briefing-book/what-child-tax-credit>.

2 "American Rescue Plan: State-by-State Analysis on American Rescue Plan: Child Tax Credit goes to 632,000 Children in Mississippi and EITC Expansion Benefits 176,000 More Workers." The White House, <https://www.whitehouse.gov/wp-content/uploads/2022/03/Mississippi-Tax-Credit-1-pager-3.8.pdf>.

3 Hardy, Bradley. "Child Tax Credit Has a Critical Role in Helping Families Maintain Economic Stability." Center on Budget and Policy Priorities, 14 April 2022, <https://www.cbpp.org/research/federal-tax/child-tax-credit-has-a-critical-role-in-helping-families-maintain-economic>.

4 Id.

5 Marr, Chuck and Kris Cox, Stephanie Hingtgen, and Katie Windham. "Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent." Center on Budget and Policy Priorities, 24 May, 2021, <https://www.cbpp.org/research/federal-tax/congress-should-adopt-american-families-plans-permanent-expansions-of-child>.

6 Collyer, Sophie. "State Child Tax Credits and Child Poverty: A 50-State Analysis." Institute on Taxation and Economic Policy, Nov. 2022, <https://itep.org/state-child-tax-credits-and-child-poverty-50-state-analysis/>.

One
Voice

ONE VILLAGE
ONE VISION
ONE VOICE

www.onevoicems.org



@ONEVOICEMS



@ONEVOICEMS



@ONEVOICEMS.ORG

