

March 29, 2021

President Joe Biden
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Secretary Janet Yellen
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear President Biden and Secretary Yellen:

As you work to craft your legislative priorities for the COVID recovery package, the undersigned organizations, who are committed to promoting the health and well-being of children, youth, and families, request that you include a permanent expansion of the Child Tax Credit (CTC). We applaud the historic one-year expansion of the CTC in the recently-enacted American Rescue Plan and urge you to work quickly to make the expansions permanent and ensure this permanent benefit functions like a true child allowance program that reaches all children who need it and is easy for families to access.

The recent CTC expansion is a critical investment in our children and a down payment on our country's future. It has the potential to reduce poverty and advance racial equity significantly. The Center on Poverty and Social Policy at Columbia University estimates that the expansion may move as many as [45 percent of children living in poverty above the poverty line](#) and reduce racial disparities in child poverty—cutting Black child poverty by 52 percent, Hispanic child poverty by 45 percent, Native American child poverty by 62 percent, Asian American and Pacific Islander child poverty by 37 percent, and White child poverty by 39 percent.

To ensure these reductions in poverty and racial disparities continue beyond this year, we ask that you include the following changes when permanently expanding the CTC in the COVID recovery package you send to Congress.

All children should be eligible for the CTC. While the American Rescue Plan includes critical reforms to the CTC to ensure that more children in need are eligible for the benefit, it still leaves many behind. The benefit should regularly and meaningfully reach all families who need it. Further action is necessary to ensure that the CTC reaches all children:

- **The expanded CTC should be made available to all children in immigrant families, including children with Individual Tax Identification Numbers (ITINs).** The 2017 Tax Cuts and Jobs Act required that children have Social Security Numbers (SSNs) to be eligible for the CTC for the first time—making an estimated 1 million children ineligible for the credit. Rolling back this Trump-era exclusion of immigrant children is vital for the President to live up his promise to take urgent action to undo the damage caused by the Trump administration and reclaim America's values as a nation irrefutably strengthened by immigrants. To ensure a fair and just system that helps grow and boost our economy, and supports our children, immigrant families must be included.
- **The expanded CTC should be made fully available to families involved in the child welfare system and others left behind by the current qualifying child rules in the tax code.** Under current law, to be eligible for the CTC, a child must live with the person claiming the credit for six months of the year or more and have a specific relationship with that tax filer. Typically, they

must be a child, grandchild, sibling, niece, or nephew of the tax filer. These rules deny benefits to children whose primary caregivers are more distant relatives, such as cousins, close family friends, chosen family, or fictive kin—roughly 330,000 children, disproportionately Hispanic children, are [excluded because of the relationship test](#) alone. The rules also deny benefits to children who may not spend at least six months in any single household, such as may be the case with children who move between the homes of different family members, children who are unhoused, or children who spend a portion of the year in out-of-home placements in the child welfare or the juvenile justice systems. Changing the definition of a qualifying child in the tax code is necessary, so that all children are eligible for the CTC regardless of their family structure or frequency of moving, and the benefit adequately supports families involved in intervening systems.

The CTC should be made available via monthly payments that work for families. The American Rescue Plan requires that the IRS make the CTC available via advanced periodic payments. Regular payments are critical to helping families meet the everyday costs of raising children, and for countering the [income volatility that so many families experience](#). A permanently-expanded CTC should be available to families monthly as the default, and [families should be able to choose](#) whether they want it more or less frequently. Additional reforms are also necessary so that this benefit functions like a direct payment that is easy and straightforward for families to access:

- **The CTC should be automatically delivered to families to the extent possible.** In addition to automatically delivering the payments to families based on previous years' tax filings or on the wage and income information the IRS has even for people who do not file taxes, the IRS should work with other agencies to automatically deliver the benefit to other families. Specifically, the IRS should work with Congress to ensure the Social Security Administration (SSA) and state benefit-issuing agencies identify and make automatic payments, including through EBT cards, to families already known to the government.
- **The CTC should be easy to access for families who are unbanked or underbanked.** The IRS should establish clear policies for children and families who are unbanked or underbanked. The millions of children, youth, and families, [who are predominantly low-income](#), and are unbanked or underbanked, should have the option to receive payments on a regular pre-loaded debit card, similar to the [Direct Express Debit Card](#) on which people can receive Social Security and other federal benefits. All payment options made available to the unbanked or underbanked should be fee-free. To the extent possible, the IRS should make payment available on mobile devices, and materials should be translated into multiple languages.
- **Reporting changes in life circumstances should be easy and accessible.** The American Rescue Plan requires the IRS to establish a portal to allow families to report changes in circumstances that might affect their eligibility for the CTC, including changes in income, marital status, and children living in the home. The portal should stay open year-round, and families should be able to use this portal to sign up for the benefit, if they do not automatically receive the payment, as well as to change who should receive the benefit on behalf of the child in real-time as frequently as possible—so that the benefit can follow the child over the year.

- **Families should be held harmless for overpayments.** To ensure this direct payment is administered equitably in a way that promotes families' economic well-being, families should be held harmless for overpayments. A comprehensive safe harbor provision holding all families harmless is preferred, especially if families receive erroneous payments because of IRS actions. In other countries, like New Zealand, forcing repayments of overpayments has [devastated](#) many struggling families. Failing to protect families from surprise tax bills due to overpayments threatens their economic security and may also undermine public support for the benefit.
- **The expanded CTC should be exempt from garnishment.** The CTC should not be subject to garnishment or interception to pay down debt owed to government agencies—such as for child support or criminal legal debt from fines and fees. Studies show that [Black and Latinx](#) families are over-surveilled and targeted by the police, and therefore owe a disproportionate share of fines and fee debt. The IRS should also work with Congress to protect the payments from garnishment by banks, credit unions, and other private creditors. Families need the CTC to meet their immediate needs, and it should not be garnished to pay unjust debt, which will disproportionately harm families of color and Black families in particular. Current policies should also remain in place to ensure families receive the full value of this expanded benefit. Specifically, the CTC should not count as resources or assets for other means-tested programs, even if it is paid monthly, and the value of the CTC should not be reduced based on familial assets.

The administration should support funding for robust outreach to families, so that families know about this critical benefit and can access it. The American Rescue Plan appropriates funds to the IRS to administer the new advanced credit but does not dedicate funding for outreach to families. There must be adequate appropriations for the IRS moving forward, and the agency must have funds to support its outreach to families and ensure families learn of the expanded credit, potential monthly payment options, and have the support they need to complete any necessary paperwork to access it. Robust outreach is especially critical to ensuring that Black, Latinx, Indigenous, and immigrant communities that have been historically excluded from supports and services are able to access the new benefit. To ensure the benefit reaches all families:

- **A website should clearly explain the expanded CTC.** The website should be easy to use and navigate, including on phones, clearly explaining the new credit to families, and walking them through how monthly payments work. The website and any outreach materials should be offered in multiple languages and in disability-friendly formats and be especially easily accessible for families who are not connected to the tax code who might need further assistance. The website should also include a simplified non-filing portal to help increase take-up and access with families who otherwise do not need to file taxes and should not have to.
- **The administration should work with community-based organizations and state, local, and tribal government agencies on an ongoing basis to ensure families are receiving the CTC.** Community-based organizations and government agencies that have direct service responsibilities that work on the ground, have existing relationships with families, are culturally and linguistically responsive, and already help families access supports and services are well positioned to help families sign up for the new benefit and change their information as needed. Some of these organizations include VITA (Volunteer Income Tax Assistance) programs,

organizations who get Community Development Block Grants (CDBG), community-based non-profit organizations, local Social Security Agencies (SSAs), Federally Qualified Health Centers, and state public benefit granting agencies. The IRS should provide training and support to these agencies so that they can walk families through the process of signing up for the benefit and changing their information as needed.

Families need ongoing support as they struggle with the costs of raising children. This is especially important for the Black, Latinx, Indigenous, AAPI, and immigrant communities, who have too often been excluded from support and services. While most families will benefit from this transformative policy, we know that children in need will be the most impacted. We urge you to build on these historic expansions of the CTC to ensure that all children can access it, and make the benefit permanent in the next COVID recovery package.

Sincerely,

1,000 Days

ACCESS (Arab Community Center for Economic and Social Services)

ACLU

African American Health Alliance

Alliance for Strong Families and Communities

American-Arab Anti-Discrimination Committee (ADC)

Bernard L. Schwartz Rediscovering Government Initiative

Bread for the World

California Association of Food Banks

California Community College CalWORKs Association

Caring Across Generations

Center for American Progress (CAP)

Center for Law and Social Policy (CLASP)

Center for Popular Democracy

Center for Science in the Public Interest

Center for the Study of Social Policy

Child Welfare League of America

Children's Defense Fund

Children's HealthWatch

Children's Home & Aid

Children's Trust Fund Alliance

Children's Trust of South Carolina

Children's Advocacy Institute

Children's Aid

Church World Service

Citizen Action of Wisconsin

Closing the Women's Wealth Gap

Coalition on Human Needs
Common Good Iowa
Community Change Action
Community Legal Services of Philadelphia
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
DC Dorothy Day Catholic Worker
Disability Rights Education & Defense Fund (DREDF)
Economic Policy Institute
Economic Security for Illinois
Economic Security Project Action
Faith in Public Life
Family Equality
Family Values@Work
Feeding America
First 5 Association of California
First Focus Campaign for Children
Food Research & Action Center (FRAC)
Forum for Youth Investment
Friends Committee on National Legislation
Futures Without Violence
Georgetown Center on Poverty and Inequality
Golden State Opportunity
Greater Boston Legal Services
Health Care Voter
High Ground Institute
Hispanic Federation
Hometown Action
Humanity Forward
Income Movement
Indivisible
Iowa Citizens for Community Improvement
John Burton Advocates for Youth
Justice for Migrant Women
Juvenile Law Center
Kairos Center for Religions, Rights and Social Justice
LatinxVoice
Maine Children's Alliance
MAZON: A Jewish Response to Hunger
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Counsel for Children
National Association of Social Workers

National Black Child Development Institute
National Center for Housing and Child Welfare
National Coalition for the Homeless
National Consumer Law Center
National Council of Churches of Christ in the USA (NCC)
National Council of Jewish Women
National Diaper Bank Network
National Education Association
National Employment Law Project
National Family Support Network
National Head Start Association
National LGBTQ Task Force Action Fund
National Low Income Housing Coalition
National Resource Center on Domestic Violence
National WIC Association
NETWORK Lobby for Catholic Social Justice
New Jersey Institute for Social Justice
Our Children Oregon
Parent Accountability Council (PAC), Early Learning Multnomah
ParentsTogether Action
Partnership for America's Children
Peace Action
People's Action
Prevent Child Abuse America
Prevent Child Abuse Illinois
Prevent Child Abuse Vermont
Prosperity Now
Public Advocacy for Kids (PAK)
Repairers of the Breach
RESULTS
RESULTS DC/MD
Results for America
Robin Hood
Save the Children Action Network
Schuyler Center for Analysis and Advocacy
Social Security Works
Southern Poverty Law Center
Tax March
The Children's Agenda
The National Domestic Violence Hotline
True Colors United
UltraViolet

UnidosUS
Union for Reform Judaism
United Church of Christ, Justice and Witness Ministries
Universal Income Project
Voices for Progress
Voices for Vermont's Children
Voices for Virginia's Children
We All Rise
Women Employed
Young Invincibles
ZERO TO THREE

CC: The Honorable Ron Wyden
The Honorable Mike Crapo
The Honorable Richard Neal
The Honorable Kevin Brady