

Finance, Revenue, and Bonding Committee

Public Hearing: February 26, 2025

In Support of **S.B. 740**: An Act Establishing a Refundable Child Tax Credit and **H.B. 5986**: An Act Establishing a Refundable Child Tax Credit Against the Personal Income Tax

Dear Co-Chair Senator Fonfara, Co-Chair Representative Horn, Ranking Member Senator Fazio, Ranking Member Representative Polletta, Vice Chair Senator Cabrera, Vice Chair Senator Miller, Vice Chair Representative Constantine, Vice Chair Representative Rader and members of the Finance, Revenue, and Bonding Committee,

My name is Ashley Gaudiano, Chief Operating Officer at United Way of Coastal and Western Connecticut (UWCWC), and **I am testifying in support of S.B. 740 and H.B. 5986**. As a proud member of the CT Child Tax Credit Coalition, our goal is to secure a fully refundable child tax credit that not only bolsters Connecticut's economy but also provides critical support to working families.

At United Way of Coastal and Western Connecticut, we serve 27 towns across Fairfield and Southern Litchfield County. Here, 42% of households—more than 336,000 individuals—live at or below the **ALICE** (Asset Limited, Income Constrained, Employed) threshold. These families struggle daily to pay for essentials such as housing, food, transportation, child care, healthcare, and utilities. A fully refundable child tax credit would be transformative—benefiting 60,000 households and injecting \$69 million into our local economy.

Simply put, child tax credits work. They provide immediate relief while generating a 138% return on investment for our statewide economy. As a coalition, we are asking for a \$600 per-child credit. And while this would be a positive step forward for families, it falls woefully short of what families need to bridge the gap created by our rising cost of living.

We are not merely guessing at solutions—this is a proven strategy. As [The New York Times reported](#) in reference to pandemic-era child tax credits, “The one-year expansion of the credit, which cost about \$100 billion, cut child poverty by 36 percent, according to census data. The overall decline in child poverty reached 46 percent, a one-year drop without precedent.” Moreover, the [J.P. Morgan Chase Institute](#) found that these payments increased bank balances, providing a critical cushion for emergencies.

I have spoken with families who face these challenges every day. In Danbury, one parent shared how difficult it is to pay for their child's enrichment activity—a vital resource for academic and social development. In Bridgeport, a woman is struggling with a \$1,200 gap in her rent, putting her family's housing stability at risk. And in Stamford, an individual residing in temporary housing is battling to cover basic food needs for their family. These are real people with real stories, underscoring the urgent need for a more robust credit that truly meets their financial challenges.

Connecticut remains the only state that taxes personal income without adjusting for family size, an outdated policy that further strains family budgets and hampers our regional competitiveness. In 2021, the expanded federal child tax credit benefited 550,000 children and 75% of families statewide. A state-level, fully refundable child tax credit would extend these vital benefits to even more families—especially those who do not owe income tax yet still shoulder a significant burden from sales taxes.

IMPROVING LIVES IN

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A recent poll reveals that 73% of Connecticut residents support establishing a state-level child tax credit, even among those who are not currently raising children. By endorsing S.B. 740 and H.B. 5986, we are investing in a future where every child has the opportunity to thrive, and every family can meet their basic needs with dignity. Thank you for your consideration,

Ashley Gaudiano
Chief Operating Officer
United Way of Coastal and Western Connecticut

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