



Why Cutting the Child Tax Credit Is Bad Policy

Congress is at it again, this time playing politics with the lives of poor kids. Nearly every year, members of Congress try to end the refundable Child Tax Credit (CTC) for workers who meet their obligation to pay taxes using an Individual Tax Identification Number (ITIN). The law allows workers who are ineligible for a Social Security number to use ITINs.

What Leaders Are Saying

“The people who are gaming the system are the tax preparers. They are the ones who may be lying to the government and are guilty of fraud. I will join with Senator Ayotte and any other colleague who wants to stop that perpetration of fraud....But to take this out on the children and low-income taxpayers is just plain wrong.”

—*Senate Assistant Majority Leader
Richard Durbin of Illinois*

“[The] proposal is misguided and antithetical to the Gospel call to care for children and those at the margins of society....This political tactic is not good for our economy or the wellbeing of our entire nation—especially children who are the future of our country. We are better than this.”

—*Sister Simone Campbell, executive director of NETWORK, a national Catholic social justice lobby, and leader of NETWORK’s “Nuns on the Bus”*

“Let’s call this what it is: a cynical and shameful attempt by immigration restrictionists to prevent many otherwise-eligible taxpaying immigrants—mostly Latino—from claiming the credit. While the integrity of any system must be maintained, punishing children and their taxpaying families who participate in a highly effective child anti-poverty program is not the answer.”

—*Marielena Hincapié, executive director of the National Immigration Law Center*

TOP 5 FACTS

1. **The CTC is an anti-poverty program with bipartisan support that works.** The CTC, as well as the refundable portion (the Additional Child Tax Credit, or ACTC), were enacted to help struggling families financially care for their children and prevent millions of children from sinking further into poverty.
2. Denying eligibility for the refundable portion of the CTC **threatens the wellbeing of children** and would **deny more than a million children** much-needed assistance for costly necessities such as rent, clothing, and food.
3. The plan **betrays the Latino community**, as Latino children would be hardest hit.
4. Conservatives are **targeting children of low-income immigrant workers** who pay more than \$9 billion in payroll taxes each year. On average, these families **earn barely more than \$20,000** each year.
5. **Paid tax preparers**, instead of vulnerable children, **should be the focus of fraud reduction efforts.** In contrast, [Volunteer Income Tax Assistance](#) (VITA) programs—which served 36,000 taxpayers filing with ITINs in 2013—earn an accuracy rating of 91%. VITA clinics place a high emphasis on training, quality assurance, and accuracy, to ensure tax credit claims are legal and legitimate—meaning that the children claimed under CTC are physically present in the U.S.