

July 22, 2025

To: Council Chair Mendelson, Committee Chair Kenyan McDuffie
Cc: Councilmember Anita Bonds, Councilmember Robert C. White, Jr., Councilmember Christina Henderson, Councilmember Brianne K. Nadeau, Councilmember Brooke Pinto, Councilmember Matthew Frumin, Councilmember Zachary Parker, Councilmember Charles Allen, Councilmember Wendell Felder

Dear Council Chair Mendelson, Committee Chair Kenyan McDuffie, Councilmember Anita Bonds, Councilmember Robert C. White, Jr., Councilmember Christina Henderson, Councilmember Brianne K. Nadeau, Councilmember Brooke Pinto, Councilmember Matthew Frumin, Councilmember Zachary Parker, Councilmember Charles Allen, and Councilmember Wendell Felder

We write to urge you to fully restore the Child Tax Credit Amendment Act of 2024, an important anti-poverty initiative, in the FY 2026 Budget Support Act.*

The Child Tax Credit's passage in 2024 signified Mayor Bowser's, Ward 5 Councilmember Zachary Parker's, and the DC Council's commitment to reducing poverty in Washington, D.C. The fully refundable tax credit would have provided qualifying DC families with \$420 per child for up to three children under age six. (D.C. Code § 47-1806.17(b)(1)(A)). Refundable tax credit programs serve as a form of guaranteed income and effectively reduce poverty.**

We therefore were deeply concerned to find that this important anti-poverty initiative was omitted from the Mayor's proposed District Fiscal Year 2026 Budget. While we are incredibly grateful that the Committee on Youth Affairs found \$13.3 million across the financial plan to help restore DC's Child Tax Credit, we urge the Committee of the Whole to restore the remaining funding and fully revive the credit.

Full restoration of a local Child Tax Credit (CTC) will help thousands of DC's most vulnerable families to cover their basic necessities with the refundable credit. Approximately 17% of children in DC, and 30% of DC families with children, live below the poverty level (U.S. Census Bureau, U.S. Department of Commerce).

A local CTC will increase the standard of living for the tens of thousands of DC families currently living in poverty. The CTC's design, which features a gradual phase-out structure, sets it apart from other DC programs and may contribute to mitigating benefit cliffs for participants in public benefit programs. This welfare protection is crucial for Black mothers and their families, as they often face multiple barriers in accessing resources and support. It is paramount that DC's councilmembers, the mayor, and lawmakers fund this important initiative.

A local CTC is necessary for the District's constituents. Although the federal Tax Cuts and Jobs Act is expected to be expanded through the "One Big Beautiful Bill" Act, H.R. 1., the federal tax credit's earned income requirement will prevent the benefit from reaching families who earn less than \$2,500 per year, unless they have three or more eligible dependents in the home (McDermott and Marples). Because of this and other provisions in the "One Big Beautiful Bill" Act:

- Unemployed families who rely on Social Security and Medicaid will not be eligible to receive the benefit
- Families who earn less than \$10,000 are estimated to only claim \$270 on average (McDermott and Marples).

A District-led child tax credit will support the District's most vulnerable families who are not positioned to benefit from the federal version. According to DC Fiscal Policy Institute's analysis of a study by Columbia University's Center on Poverty & Social Policy, a district-funded CTC targeted to families up to 300% of the federal poverty line would reach 80,000 children in the district, including those ineligible for the federal CTC (DC Fiscal Policy Institute). Moreover, if the mayor were to expand the child tax credit to \$1,500 per child, poverty in the district would shrink by 18%. (DC Fiscal Policy Institute). A local CTC has the potential to effect meaningful, lasting change.

We therefore urge you to fully restore and consider further expanding the local Child Tax Credit to support thousands of families in need in DC.

Respectfully submitted,

Mother's Outreach Network

Bread for the City

LIFT-DC

DC Fiscal Policy Institute

Serve Your City/Ward 6 Mutual Aid

ONE DC

ROC-DC

Erin Hogeboom, Director, San Diego for Every Child

Kris Garritaigh

Dominic Moulden

Angel Stephens

Rebecca Atkinson

Shashi Joshi

Christina Weir
Christina Reinke

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* You might recall our April 2023 letter in support of the District Child Tax Credit Amendment Act of 2023. Although the Amendment, which would have increased the tax credit to \$500 per child from \$420 as set forth in the original proposal, ultimately did not pass, the sentiments in our letter remain relevant.

** In a study supported by Mother’s Outreach Network (MON), Policy Engine found that an earlier version of the child tax credit, the District Child Tax Credit Amendment Act of 2023 (the DCTC), was expected to reduce child poverty by 5.2% and lower overall poverty in the District by 1.3% (Ghenis).

DC Fiscal Policy Institute. “DC Can Boost Income to Tackle Child Poverty.” *DC Fiscal Policy Institute*, 23 May 2024, www.dcfpi.org/all/dc-can-boost-income-to-tackle-child-poverty/.

District of Columbia, Committee on Youth Affairs. *Report and Recommendations of the Committee on Youth Affairs on the Fiscal Year 2026 Budget for Agencies Under Its Purview*, 22 June 2025, [file:///C:/Users/ArielleMiller/Downloads/\[REVISED\]%206.22.25_CYA%20FY26%20Budget%20Report.pdf](file:///C:/Users/ArielleMiller/Downloads/[REVISED]%206.22.25_CYA%20FY26%20Budget%20Report.pdf). Accessed 24 June 2025.

Ghenis, Max. “Report on The District Child Tax Credit Proposal.” *Mother's Outreach Network*, 2 April 2023, <https://mothersoutreachnetwork.org/dc-tax-credit-proposal/>. Accessed 2 June 2025.

McDermott, Brendan, and Donald J. Marples. “The Child Tax Credit: How It Works and Who Receives It.” *Congress.gov*, 24 April 2025, <https://www.congress.gov/crs-product/R41873>. Accessed 2 June 2025.

U.S. Census Bureau, U.S. Department of Commerce. “Poverty Status in the Past 12 Months.” *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1701*, 2023, <https://data.census.gov/table/ACSST1Y2023.S1701?t=Income+and+Poverty&g=040XX00US11&y=2023>. Accessed 2 June 2025.