



Testimony Regarding S.B 36, An Act Establishing a Refundable Child Tax Credit & Regarding H.B 5113, An Act Increasing the Highest Marginal Rate of Personal Income Tax a Capital Gains Surcharge to Provide Funding for Certain Child-Related, Municipal and Higher Education Initiatives

Harley Webley, Policy and Communications Specialist and Katherine Villeda, Director of Policy
Finance, Revenue, and Bonding Committee
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Dear Senator Horn, Representative Horn, Senator Henri, Representative Cheeseman, and esteemed members of the Finance, Revenue, and Bonding Committee,

Thank you for accepting this testimony regarding **S.B 36, An Act Establishing a Refundable Child Tax Credit** and regarding **H.B 5113, An Act Increasing the Highest Marginal Rate of Personal Income Tax a Capital Gains Surcharge to Provide Funding for Certain Child-Related, Municipal and Higher Education Initiatives**, on behalf of Health Equity Solutions (HES), a nonprofit organization with a statewide focus on advancing health equity through anti-racist policies and practices. Our vision is for every Connecticut resident to attain optimal health regardless of race, ethnicity, or socioeconomic status. **We respectfully urge the Finance Committee to support S.B. 36 and H.B 5113.**

The connection between health and income is well established. Research has consistently shown that as people move up the economic ladder, their health improves. For example, [people who are middle-class](#) are healthier than those near the poverty line but are not as healthy as people who are affluent. Similarly, [affluent Americans](#) are not as healthy as those with higher incomes. It is because income determines access to essential resources that affect health outcomes such as nutritious food, quality healthcare, safe housing, and education. Establishing a permanent child tax credit would help break the cycle of poverty, create opportunities for upward mobility, and reduce disparities in health outcomes exasperated by the widening racial-wealth gap.

Connecticut is one of the wealthiest states in the U.S. It also ranks [3rd highest in income inequality](#). Currently, the top [1% of tax filers](#) earns 181.7 times more than those in the bottom 10%. This disparity is reflected in health outcomes. For example, a baby born in [Bridgeport](#) will have a life expectancy of 77.7 years, compared to 85.4 years in a more affluent town like [Westport](#), just 10 miles away. The stark differences in outcomes are rooted in a long history of disenfranchisement where people with lower incomes have unequal access to resources that impact health outcomes. This includes stable and flexible employment opportunities, comprehensive benefits such as paid leave and health insurance, access to affordable and nutritious food, affordable housing options, and disposable income to tend to medical or other emergencies.

[Connecticut](#) is the only high-cost-of-living state where the tax system does not account for the number of children or childcare expenses in each household. This disproportionately affects low- to middle-income families who cannot afford additional expenses. The current proposal (an allocation of \$600 per child annually) [would benefit 75% of all households in Connecticut with children](#), an estimated \$306 million in funds to 268,000 eligible families. These funds would alleviate several burdens. For example, the temporary child tax credit provision in 2021 was associated with [decreased food insecurity for](#)



[children at the national and state level](#). After its expiration, [child poverty rose by nearly 50%](#) at the national level.

[Early life experiences have lasting impacts](#) on an individual's health well into adulthood. Limited access to [nutritious food](#) during childhood can lead to chronic health issues such as obesity and diabetes in adulthood. Exposure to [environmental toxins](#) may increase the risk of respiratory problems or other illnesses later in life. Childhood poverty is associated with [differences in brain development](#) and food insecurity. A child tax credit would address some of these challenges and provide families with financial support to ensure children have access to vital resources for healthy development.

It would also address health equity concerns. In Connecticut, disparities in earnings, employment, and education are prominent across racial and ethnic lines. These [disparities are a result of systemic racism](#), including historical and contemporary redlining practices, that push Black and Latino/a residents in lower-opportunity neighborhoods. As a result, residents who identify as Black, Latino/a, and American Indian or Alaskan Native, earn significantly less than those identifying as White non-Hispanic or Asian. For example, [between 2016 – 2020](#), Black and Latino residents reported an annual income of \$32,385 and \$29,548 respectively, compared to \$54, 213 and \$50,772 for Asian and White residents. The child tax credit would address these disparities. In an analysis by DataHaven, [91% of Latino and 88% of Black households with children would qualify for the credit](#), while 68% of White and 65% of Asian households would also qualify. This would [result in](#) an estimated \$80 million for eligible Latino households and \$40 million for eligible Black households.

April 1st – 6th, is Health Equity Week, a yearly reaffirmation of Connecticut's commitment to eliminate inequities and ensure all residents can achieve optimal health. This year, Health Equity Solutions is advocating for *Affording Equity*, to address the financial barriers that hinder access to resources that impact overall health outcomes. HES supports the provisions in **S.B 36, An Act Establishing a Refundable Child Tax Credit & H.B 5113, An Act Increasing the Highest Marginal Rate of Personal Income Tax a Capital Gains Surcharge to Provide Funding for Certain Child-Related, Municipal and Higher Education Initiatives**. A permanent and well-established child tax credit would aid families, especially people nearest to the poverty line and/or affected by systemic racism, meet basic needs, enhance their ability to access essential resources, and ultimately improve overall health outcomes.

Thank you for the opportunity to submit this testimony. We can be reached with any questions at kvilleda@hesct.org.