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May 7, 2024

Representative Marvin L. Abney, Chair
House Finance Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: Testimony in Support of House Bill 7924, An Act Relating to Taxation – Personal Income Tax – Child Tax Credit

United Way of Rhode Island (UWRI) is writing to express its support for House Bill 7924. This bill recovers the enormous success of the child tax credit that was implemented federally during the pandemic emergency. Bringing the child tax credit back to Rhode Island in the amount of \$1,000 per dependent minor will provide families with much needed economic relief. This bill lifts low- and moderate- income households in direct alignment with UWRI's mission to build a more equitable Rhode Island through educational achievement, housing stability, and economic empowerment.

UWRI partners with several community partners who provide Volunteer Income Tax Assistance (VITA). Through 211, UWRI's Human Service Helpline, Rhode Islanders can be connected with a trusted community organization that hosts tax filing sessions with IRS-certified volunteers. For many households, tax filing would be impossible without a qualified professional's oversight, and many of those households cannot afford traditional tax filing services. In 2023, 10,086 Rhode Island tax returns were filed through VITA, resulting in \$5,401,208 in state refunds. A Rhode Island Child Tax Credit would improve that return and increase incomes for low-income households.

As the cost of housing, food, childcare, and healthcare continues to increase, many Rhode Islanders are becoming trapped in a cycle of poverty. For the majority of low-income households, tax returns are used to catch up on bills or make repairs to homes or cars they've been putting off. Alarming, an increasing number of low-income households are using tax refund money on health care they've been deferring. A tax refund is a lifeline for Rhode Islanders trying to achieve economic stability, and increasing the strength of that lifeline improves incomes, which are directly tied to health outcomes and educational achievement. Thank you for your careful consideration of this bill, and for the work you do for Rhode Islanders every day.

Very best,

Peggy Desjarlais
Program Officer, Housing and Economic Development Policy

Uniting our community and resources to build racial equity and opportunities for all Rhode Islanders.

