



Boosting Maine's Child Tax Credit with LD 1544 will help our kids, communities, and economy flourish

Making Maine's credit "fully refundable" – available to people with little to no income – and increasing it to \$350 would reduce child poverty in our state by 12.3%, moving 3,500 Maine kids out of poverty, according to the Institute on Taxation and Economic Policy.

No matter who we are and where we're from, **we all believe in giving kids their best start**. That's what the expanded federal child tax credit (CTC) did in 2021. Census data shows that child poverty dropped sharply last year, and that the expanded credit in combination with other relief efforts drove the child poverty rate to a record low of 5.2%. **In Maine, child poverty was cut nearly in half**. Economists say the expanded federal CTC has an **estimated 1,000% return on investment per year** (roughly \$10 for each dollar spent).

With the **expiration of the enhanced federal child tax credit**, unfortunately, families are losing the credit's overwhelming benefits, and **many are falling back into poverty**.

Maine child tax credit would target effective relief

LD 1544, An Act to Improve Economic Security for Maine Children by Establishing the Maine Dependent Tax Credit, would **boost our state's dependent exemption tax credit**, which currently provides a \$300 annual tax credit per dependent. It would **fix a flaw in the credit's design**, which leaves out families with low income who need it most, and **increase the credit to \$350**.

Investing in families with low income by expanding programs like the child tax credit has been shown to help kids their whole lives, supporting **higher educational attainment, better health, and higher earnings** as adults.

At a time when **inflation, rising energy costs, housing and child care are stressing family budgets**, strengthening this credit will help families who are struggling the most to afford what they need. We also know from the federal CTC that a boost in income **increases work participation and boosts local economies**. LD 1544 is a proven, targeted policy to help Maine families build economic security that makes a real difference for kids and benefits us all.



A little extra cash makes a big difference

"Less anxiety about making ends meet means more eye contact with my children when I get home from work. What more could I say?"

--Andrea, Farmingdale