



March 3, 2025

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Kansas Action for Children

Verbal Testimony in Support of SB 179

Senate Committee on Assessment and Taxation

Chairwoman Tyson and members of the Committee:

Thank you for the opportunity to testify in strong support of SB 179, which would create a state child tax credit for children ages 0-5. Kansas Action for Children believes that a state child tax credit (CTC) should be among the highest legislative priorities because it is one of the most efficient and effective policies for delivering meaningful tax relief to those who most need it.

A state child tax credit would improve the lives of Kansas children, increase the economic competitiveness of the state, and show that the Legislature values the children and families that make up much of the state's population. Lawmakers can't wait to prioritize families in the tax code any longer. Now is the time to boost the budgets of thousands of parents and caregivers so their children have what they need to thrive.

While there are several policies that provide targeted relief to families, a refundable CTC is by far one of the most effective. Evidence shows that expanded federal CTC payments in 2021 kept 2.9 million children from falling below the poverty line.¹ Unfortunately, the federal CTC expansion has since expired, leaving many families feeling the squeeze from inflated prices on groceries and other necessities.

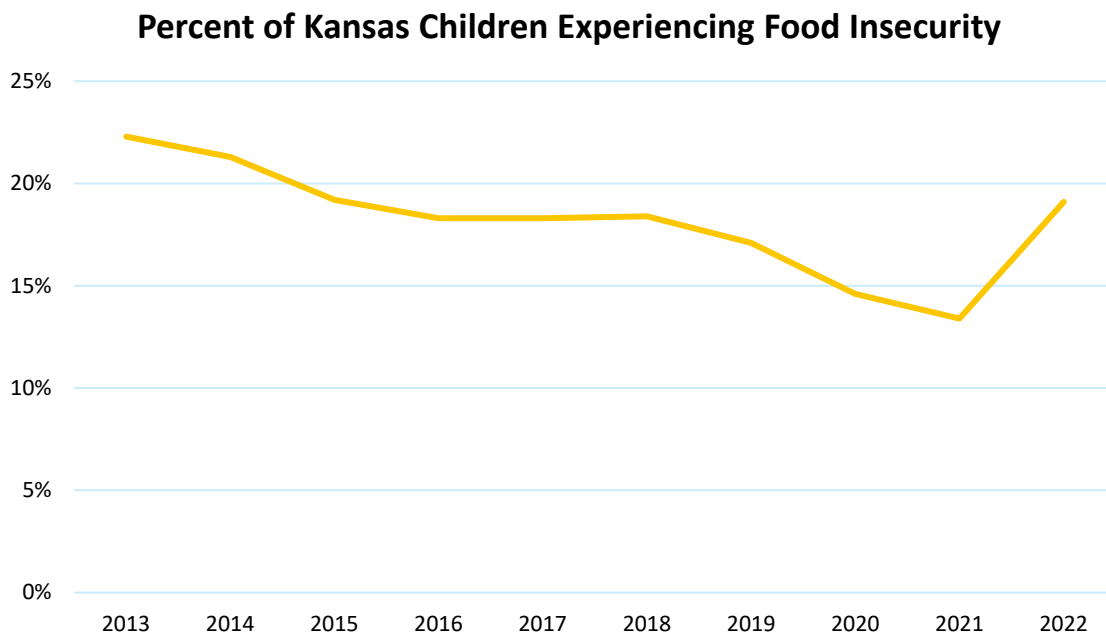
When adjusted for inflation, the cost to raise a child born in 1995 was approximately \$239,000 while the cost to raise the same child born in 2015 is closer to \$311,000, a 30% increase that wages have not kept up with.^{2,3} A refundable state CTC is an effective tool for offering some relief, as it gives today's parents the financial freedom to decide what their family most needs.

¹ Burns, K., & Fox, L. (November 22, 2022). *The Impact of the 2021 Expanded Child Tax Credit on Child Poverty*. U.S. Census Bureau.

² Lino, M. (1996). *Expenditures on children by families: 1995 annual report*. Washington, D.C; Center for Nutrition Policy and Promotion, U.S. Dept. of Agriculture.

³ Sawhill, I., Welch, M., & Miller, C. (August 30, 2022). *It's getting more expensive to raise children. And government isn't doing much to help*. Brookings Institute.

A 2022 study analyzed how families used federal CTC payments and found that the top three uses were for routine expenses, essential items, and groceries – with no notable changes to employment status.⁴ This suggests that state CTC payments would be put to good use feeding, clothing, and housing Kansas children. In fact, data from Feeding America shows a significant increase in the number of children living in a food insecure household after the expiration of the expanded federal CTC.



Source: Feeding America. (2025). *Map the Meal Gap*

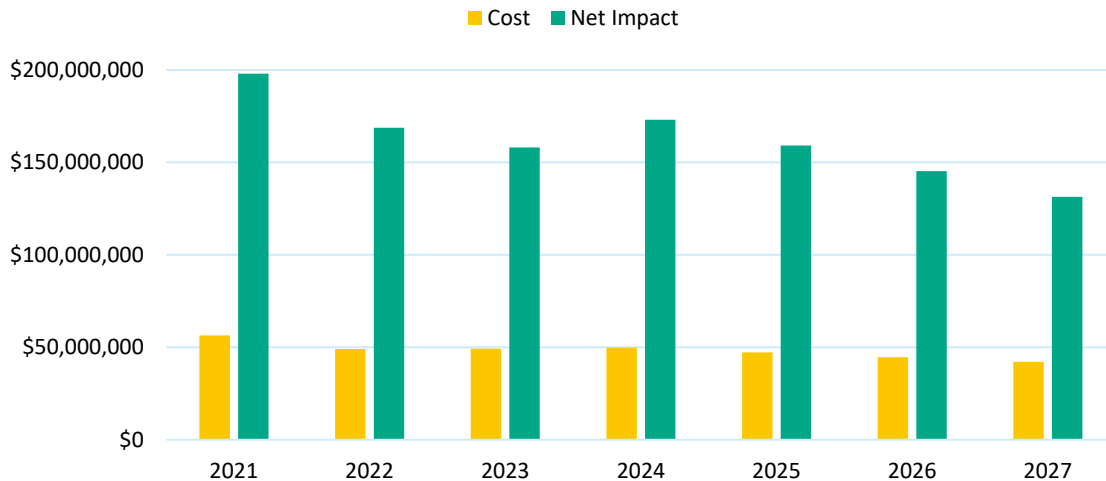
While food insecurity among children in the state had been declining for several years, the inflation over the past four years has strained family budgets so that nearly 1 in 5 Kansas kids now do not know where their next meal will come from.

Fourteen states already have a state CTC, and the credit is refundable in all but three of them.⁵ By adopting a state CTC, the Kansas tax code will be more competitive in attracting and retaining families, which would likely lead to greater economic security and community growth. Even in the pockets of current residents, this targeted tax relief will increase economic activity across the state.

⁴ Hamilton, L., et al. (April 13, 2022). *The impacts of the 2021 expanded Child tax credit on family employment, nutrition, and financial well-being*. Brookings Institute.

⁵ Davis, A., & Butkus, N. (September 12, 2023). *States are Boosting Economic Security with Child Tax Credits in 2023*. ITEP.

Cost-Benefit Analysis of a Kansas CTC



Source: Kansas Action for Children analysis using data from U.S. Census Bureau, American Community Survey (ACS) Public-Use Microdata Sample, 2006-2023

Using public use microdata from the U.S. Census Bureau's American Community Survey, we estimate that every dollar spent on a state CTC will generate approximately \$3 in economic activity. This is because the people most impacted by this policy are those in the lower- and middle-income brackets that have a higher propensity to consume. That means the tax relief provided to these families will be spent in communities across the state, supporting jobs and local businesses while improving the lives of the children in those communities.

In an economy where costs are still top of mind, the time is right for Kansas lawmakers to adopt a state CTC. This investment in Kansas families will improve the lives of tens of thousands of children and provide for a more competitive, family-friendly tax code. Evidence has shown that a robust CTC can be transformative for families struggling to make ends meet, and with uncertainty surrounding the federal tax debate, implementing a state CTC can provide Kansas families with a greater sense of security.

I urge you to prioritize these children and families by voting yes on SB 179. Please contact me at nathan@kac.org if I can be of further assistance.

About Kansas Action for Children

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.