

All Children in South Dakota Deserve Access to the Child Tax Credit

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The Child Tax Credit (CTC) is one of the most successful anti-poverty and pro-child policies that exists. But some in Congress are looking to not only continue to exclude children without Social Security Numbers (SSN) from the CTCs, but also further exclude U.S. citizen children from being able to access it if their parents file taxes with an Individual Taxpayer Identification Number.

Before 2017, all children, regardless of whether they had SSNs, were eligible for the CTC as long as their parents met the eligibility requirements and filed taxes. However, the passage of the Trump Administration's Tax Cuts and Jobs Act included a cruel attack on immigrant children, which denied the CTC to children without a SSN. **This resulted in about one million children losing access to the CTC.**¹

Congress must take action to restore access to the CTC for all children, and oppose any further exclusions for U.S. citizen children in mixed-status families. This exclusion would prevent 4.5 million U.S. citizen children nationwide from accessing this critical economic support.²



In South Dakota, 1,300 children were excluded from the CTC in 2017. Further exclusions to the CTC would block 5,000 U.S. citizen children from eligibility.

The CTC Helps with the Rising Costs of Raising Children

- The CTC substantially reduces child poverty by supporting families who are more likely to have low-wage jobs, fewer benefits, and fewer work protections.³
- Providing families with additional income during a child's early development has been shown to have substantial benefits for the child's future health and educational attainment, better birth outcomes, and reduced risk factors, such as reduced involvement in the child welfare system.⁴
- In 2021, Congress temporarily expanded the CTC under the American Rescue Plan Act. Child poverty declined by nearly half, food insecurity declined among households with children, financial stress among parents decreased, and parents could more easily afford essentials for their children.⁵
- In 2021, the most common ways that families reported spending their expanded monthly CTC payments were toward bills, food and groceries, and rent and mortgage payments.⁶
- Following the end of the expanded CTC, child poverty has increased throughout the nation. It is especially pronounced for Black, Hispanic, and American Indian/Alaska Native children, who experienced poverty at three times the rate of white children in 2023.⁷
- Estimates show that child poverty exacts a cost of \$800 billion to \$1.1 trillion in lost economic output annually, suggesting that reducing child poverty is among the smartest investments we can make as a society.⁸

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