



Senate Extends Tax Credits to 143,000 Wisconsin Children

For immediate release
June 6, 2003

Contact: Jon Peacock
(608) 284-0580 ext. 307

MADISON -- The Wisconsin Council on Children and Families applauded the United States Senate for voting Thursday to restore a provision expanding the child credit for nearly 12 million low-income children. The provision had initially been part of the \$350 billion tax cut bill approved in the Senate last month but was dropped during the conference committee negotiations.

The Senate approved the bill Thursday by a vote of 94 to 2, but its fate in the House is uncertain.

“This bill will increase the child tax credit for an estimated 143,000 Wisconsin children in 74,000 low-income families,” said Jon Peacock, a fiscal analyst at the Wisconsin Council on Children and Families.

“Excluding low-income families from the increased child credit would not only be unfair, it would also be a short-sighted way of designing an economic stimulus plan,” Peacock said. He noted that lower-income families will typically spend more of their rebate checks than higher-income families and will get the money flowing more quickly through the economy.

The plan approved by the Senate this week increases the child credit for families with incomes in the range of \$10,500 to about \$25,000, who had been excluded from the \$350 billion tax cut package. The new bill would also change the upper income threshold for the credit. Under current law the credit begins to decline down when a families taxable income reaches \$110,000. The Senate-passed bill would gradually increase that phase-out threshold to \$150,000.

The \$10 billion cost of the revised child tax credit is paid for by higher user fees extracted by the U.S. Customs Service.

“The Senate should be applauded for addressing the inequity in the original bill, and for doing it in a way that does not increase the national deficit,” Peacock said.

###