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Bush Tax Plan's Child Credit Boost Leaves Behind One in Four of America's Children

The highly-touted temporary increase in the per-child tax credit to \$1,000 for 2003 and 2004 will provide no benefit to one out of four families with children under 17, because they do not earn enough to qualify for the aid.

A state-by-state analysis of the effects of the child credit by the Institute on Taxation and Economic Policy finds:

- 9.2 million families with children under 17 will get zero benefit from the boost in the child credit. (Many other families will get far less than the full \$400 increase per child.)
- The families with zero help represent 25 percent of America's families with children under 17 who are not otherwise disqualified by the phase-out of the credit at upper-income levels.
- More than 16 million children under age 17 live in families getting nothing from the child credit increase because of their low earnings.

By state, the percentage of families getting nothing from the child credit increase is as high as 40 percent, in Mississippi. The table to the right shows the ten states with the highest percentage of ineligible families.

The Senate version of the Bush tax plan would have extended the benefits of the child credit to many now-ineligible families. That feature was dropped from the bill, however, to make room for larger reductions in taxes on the wealthy.

A table detailing the state-by-state figures on the child tax credit increase is on the next page.

10 States with the Highest Percentage of Families Not Helped by the Increase in the Child Credit

State	% of families not helped
Mississippi	40%
Louisiana	39%
New Mexico	36%
West Virginia	32%
Alabama	31%
Arkansas	31%
California	31%
District of Columbia	30%
New York	29%
South Carolina	29%

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Families with Children Under 17 Not Helped by Increase in Child Credit to \$1,000 in 2003
(thousands of families and children; figures exclude families ineligible due to upper-income phase-out)

	Families w/ kids < 17	# of kids < 17	Families helped by credit increase	Families not helped by credit increase	# of kids <17 in families not helped	% of fams not helped	Ranked by % not helped
US totals	37,228	65,752	28,071	9,157	16,133	25%	
Alabama	667	1,046	459	208	326	31%	5
Alaska	96	190	75	21	42	22%	30
Arizona	648	1,154	510	138	246	21%	34
Arkansas	408	652	281	127	203	31%	6
California	4,150	7,767	2,862	1,287	2,409	31%	7
Colorado	553	987	449	104	185	19%	42
Connecticut	398	716	354	43	78	11%	50
Delaware	106	169	79	28	44	26%	17
District of Columbia	59	92	41	18	28	30%	8
Florida	2,024	3,278	1,472	552	894	27%	14
Georgia	1,191	2,026	858	334	567	28%	11
Hawaii	171	310	131	40	73	24%	25
Idaho	199	368	148	51	95	26%	19
Illinois	1,663	2,967	1,285	378	674	23%	27
Indiana	842	1,466	694	148	258	18%	44
Iowa	372	702	306	66	125	18%	43
Kansas	377	689	285	92	168	24%	22
Kentucky	569	922	418	151	244	26%	16
Louisiana	653	1,103	398	255	431	39%	2
Maine	171	284	127	44	73	26%	20
Maryland	697	1,209	582	114	199	16%	48
Massachusetts	767	1,382	611	155	280	20%	39
Michigan	1,309	2,358	1,083	226	408	17%	45
Minnesota	655	1,202	547	108	198	16%	47
Mississippi	453	755	271	183	304	40%	1
Missouri	772	1,347	588	184	322	24%	24
Montana	119	210	88	31	54	26%	18
Nebraska	242	443	190	52	95	21%	33
Nevada	266	475	213	53	95	20%	40
New Hampshire	154	277	140	15	27	10%	51
New Jersey	1,003	1,808	796	207	372	21%	38
New Mexico	251	440	161	89	157	36%	3
New York	2,333	4,254	1,663	671	1,223	29%	9
North Carolina	1,138	1,834	901	238	383	21%	35
North Dakota	85	160	66	19	36	23%	28
Ohio	1,534	2,643	1,245	289	499	19%	41
Oklahoma	464	784	335	129	219	28%	12
Oregon	439	811	349	91	167	21%	37
Pennsylvania	1,525	2,713	1,174	352	626	23%	26
Rhode Island	138	255	108	30	55	22%	32
South Carolina	603	987	431	172	282	29%	10
South Dakota	101	186	80	21	39	21%	36
Tennessee	827	1,292	604	223	349	27%	15
Texas	3,004	5,403	2,185	819	1,474	27%	13
Utah	324	716	253	71	157	22%	29
Vermont	89	156	67	21	38	24%	23
Virginia	882	1,527	689	193	333	22%	31
Washington	761	1,435	631	130	245	17%	46
West Virginia	214	360	146	68	115	32%	4
Wisconsin	693	1,307	594	99	188	14%	49
Wyoming	66	131	50	16	32	25%	21