



children's defense fund minnesota

Dear Members of the House Ways and Means Committee:

Children's Defense Fund – Minnesota works with community partners to help families access tax credits and other work supports through our Bridge to Benefits tool. Based on that experience, we support the targeted approach taken in HF 3669 and the balanced revenue/expenditure approach put forward by the Minnesota House.

There are several provisions in HF 3669 that we would like to lift up:

- **With the federal child tax credit ending and needs continuing, we appreciate the \$325 per child tax rebate and hope we can continue the conversation about how Minnesota can adopt some of the most effective elements of the federal Child Tax Credit in the final agreement.** Along those lines, we appreciate the inclusion of a simplified filing system for those without tax liability, an important element of the CTC.
- **Expansion of the state's child and dependent care tax credit,** along with investments in child care assistance and other measures, will help ease the child care challenges that are keeping too many Minnesota children from the stable, nurturing care and education they need and deserve, as well as too many of their parents from the workforce.
- **We also appreciate expanded access to the state's Working Family Credit,** an important tool in our efforts to reduce child poverty and its significant negative lifetime effects.
- We work to reduce administrative burdens and improve consistencies across programs for families accessing support. For these reasons, **we are excited to see the rental assistance shift, along with the increased support.** Under the approach in HF 3669 thousands of cost burdened rental households with children will have one less application process to navigate and additional funds as they try to keep a roof over their head in one of the costliest housing markets in the country.

Emergency federal resources helped children and families that needed our support before the pandemic and showed us what is possible. **Our most under-resourced families cannot wait until tax time for support.** It is time for us to follow the federal lead and figure out how Minnesota can provide state tax relief on a periodic basis. In the meantime, **the House approach of balancing tax and spending solutions will best position families for success and help ensure every Minnesota child can thrive and contribute their many gifts to our state.**

Debra Fitzpatrick
Policy and Research Director