



# Families Deserve More: Removing Restrictions on the Illinois Child Tax Credit

Support SB 3567

## Federal Restrictions Hold Illinois Families Back from Credit They Deserve

Illinois' Child Tax Credit supports parents struggling with the affordability crisis as they juggle childcare, work, and education. The credit has been an enormous success, delivering up to \$650 for some families. However, Illinois' CTC is tied to federal income restrictions that severely limit the access to parents with the lowest incomes. Parents who take time off of work to pursue education or miss shifts to care for their children are often unable to receive the full benefit of Illinois' CTC. **SB 3567 would remove punitive federal restrictions to ensure all families get the credit they deserve, without any guess work at tax time.**

## How SB 3567 Works

SB 3567 changes the existing Illinois Child Tax Credit to ensure everyone eligible receives the maximum benefit they deserve. It would remove the phase in structure of the credit so all eligible families can start at the maximum credit amount, which ranges from \$300-\$650 depending on the total number of dependents in their household.

The Phase-in and Phaseout of the Illinois Child Tax Credit



Parents who take time off work to pursue education or miss shifts to care for their children miss out on the full Child Tax Credit

## Remove Restrictions to Support Families

Currently, Illinois ties our CTC to the federal Earned Income Tax Credit (EITC), which includes a "phase-in" structure that reduces benefits for families earning below a certain threshold. This means those who need the CTC most – parents who work part-time while caring for a newborn, pursuing education, or who experience a temporary job loss – only receive a fraction of the full credit. The phase-in made sense for the EITC, which was designed to incentivize full-time work. But, it doesn't make sense for an Illinois CTC meant to support families with children, especially when the cost of caregiving is so high.

The good news: the fix is simple. By removing the phase-in while keeping the EITC's income eligibility limits, benefit amount, and simple filing process, we ensure every qualifying family receives the full credit they deserve without adding bureaucratic hurdles or causing confusion at tax time. Single parents and parents working part-time with newborns will especially benefit.

By supporting SB 3567, you join the Cost of Living Refund Coalition in providing parents just trying to survive the affordability crisis with clear, consistent support through a reliable Child Tax Credit.



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