



**LYNANNE GUTIERREZ**

President & CEO  
lgutierrez@groundworkohio.org  
mobile: 614-204-6106  
175 South 3<sup>rd</sup> Street, Suite 420  
Columbus, Ohio 43215

**Ohio House of Representatives  
House Ways & Means Committee  
H.B. 96  
Lynanne Gutierrez, President & CEO  
Groundwork Ohio  
February 26, 2025**

***Interested Party Testimony in Support of the Partially Refundable Child Tax Credit***

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the committee, thank you for the opportunity to speak today. My name is Lynanne Gutierrez, and I serve as the President and CEO of Groundwork Ohio. We are the state's leading early childhood advocacy organization focused on the healthy development of young children and their families.

Today, I am here to lend our strong support for Governor DeWine's proposal for a partially refundable Child Tax Credit—a policy that is not only good for Ohio's economy but also critical for the health, stability, and future success of Ohio's youngest children and their working families. At Groundwork Ohio, we advocate for policies that support young children because the earliest years of life lay the foundation for a child's future success. When families are financially secure, children thrive. They can work, provide for the basic needs of their families including stable housing and consistent access to nutritious food, and parents who are less stressed are better able to provide a nurturing environment.

Unfortunately, too many Ohio families are experiencing unprecedented financial strain, and parents of young children are being hit the hardest. Approximately half of Ohioans and parents with young children rate their financial situation as only fair or poor. More than one-third (34%) of parents with children under five report serious problems paying rent or their mortgage, and nearly half (47%) are struggling to pay their credit card bills. Inflation is forcing 82% of parents with young children to cut back on groceries, impacting their ability to provide healthy, nutritious meals for their kids.

Financial insecurity has a devastating impact on children. 1 in 5 Ohio children live in poverty (at or below 100% of the Federal Poverty Level) and 1 in 10 live in extreme

poverty (at or below 50% FPL), a reality that threatens their healthy development and long-term success.



Ohio’s youngest children, ages 0-5, living in Ohio’s Appalachian region are more likely to live in poverty than their peers in other communities across the state.

County Type	Poverty	Extreme Poverty
Appalachian	25.2%	13.0%
Urban	23.0%	11.7%
Rural non-Appalachian	14.9%	7.4%
Suburban	12.4%	5.6%

The research is clear: children growing up in poverty face greater barriers to academic achievement with lower rates of kindergarten readiness in every county in the state, higher rates of health complications, and lower lifetime earnings. These early challenges don’t just hurt individual children—they create long-term economic consequences for our entire state. These aren’t just numbers. These are real Ohio families trying to do everything right—working hard, providing for their children, and contributing to their communities. When our families are financially stable, children do better.

### **The Child Tax Credit Makes Work Pay**

One of the most important aspects of the proposed Child Tax Credit is that it rewards work and helps parents stay in the workforce. Right now, families with young children are caught in a financial squeeze—inflation and the rising cost of child care mean that many parents struggle just to break even. For too many families, the financial burden of child care alone can outweigh the benefits of returning to work. In fact, nearly half (49%) of working parents in Ohio have cut back their hours due to child care struggles—impacting over 1 million working parents statewide. Among moms with

young children who don't currently work full time, 61% say they would return to work if they had access to affordable, high-quality child care.

A partially refundable Child Tax Credit ensures that work pays. It helps parents offset the high costs of raising a child while ensuring that families who are working, or trying to work, aren't left behind. Unlike fully non-refundable tax credits that only benefit those with higher incomes, a partially refundable credit reaches low- and middle-income working families who need it most. It provides the kind of targeted tax relief that encourages work and strengthens family financial stability—without discouraging employment.

The bottom line is this: if we want parents to work, we need to make sure that work is financially viable. The Child Tax Credit helps families afford child care, transportation, and basic necessities, allowing parents to remain in the workforce, contribute to Ohio's economy, and build a better future for their children.

### **Bipartisan Support for Action on the Child Tax Credit**

Voters understand that when families can afford the basics, they work more, earn more, and contribute more to Ohio's economy. Ohioans overwhelmingly agree: families need relief, and the Child Tax Credit is a solution that works. A staggering 84% of Ohio voters support a Child Tax Credit, including 83% of Republicans, 78% of Independents, and 94% of Democrats. That support only grows—to 87%—when voters learned that both President Trump and the former president have backed expanding the Child Tax Credit. We don't see bipartisan consensus like this often, especially in today's political climate. This is a unique moment for Ohio to take action on a policy that truly unites voters across the political spectrum.

### **Conclusion**

Ohio families are struggling, parents want to work, and voters across party lines overwhelmingly support this policy. Governor DeWine's proposal for a partially refundable Child Tax Credit is a smart, fiscally responsible way to give families the breathing room they need to succeed—while strengthening our workforce and economy.

At Groundwork Ohio, we believe every child deserves the best possible start in life. But that's only possible when their families have the financial security to provide the basics. By supporting this Child Tax Credit, you have the opportunity to make a real difference for Ohio families—and to demonstrate that Ohio is a leader in putting working families and their children first. I urge you to support this critical policy, and I thank you for your time and consideration. I welcome any questions.

*Attached to this testimony is a copy of the polling memo that is the source for all poll data used in this testimony. To view additional polling data, visit [www.groundworkohio.org/poll](http://www.groundworkohio.org/poll).*

*Also attached to this testimony is a summary of the impact of the proposed child tax credit proposed in House Bill 96 from the Prenatal-to-Three Policy Impact Center at Vanderbilt University.*

*To learn more about economic security for families with young children or view the poverty data cited in this testimony, view Groundwork Ohio's [Early Childhood Data Dashboard 2025](#).*

## **MEMORANDUM**

**TO: INTERESTED PARTIES**  
**FROM: NEIL NEWHOUSE/JARRETT LEWIS/TOMMY DOW**  
**PUBLIC OPINION STRATEGIES**  
**CC: LYNANNE GUTIERREZ, PRESIDENT & CEO, GROUNDWORK OHIO**  
**SUBJECT: OHIO STATEWIDE SURVEY: KEY FINDINGS**  
**DATE: FEBRUARY 20<sup>th</sup>, 2025**

---

*On behalf of Groundwork Ohio, Public Opinion Strategies completed a statewide survey of 800 registered voters and an oversample of 484 parents with children under the age of five in Ohio. The survey was conducted December 5-15, 2024, and has a credibility interval of  $\pm 3.95\%$  for the registered voter sample and  $\pm 5.08\%$  for the parent oversample.*

### **KEY FINDINGS**

- Ohio families are experiencing unprecedented financial strain, with parents of young children particularly impacted.***  
Approximately half of Ohioans (52%) and parents with children under five (44%) rate their own financial situation as only fair or poor. Over a third of parents with children under five (34%) report having serious problems paying their rent or mortgage, while nearly half (47%) are having serious problems paying credit card bills. The impact of inflation is evident, with 71% of Ohio voters and 82% of parents with young children reporting they're buying fewer groceries due to price increases.
- There is remarkable bipartisan consensus on creating a Child Tax Credit for working families.***  
By an overwhelming margin, Ohio voters (84%) support creating a Child Tax Credit to provide tax relief to working families, with support transcending party lines: 83% of Republicans, 78% of Independents, and 94% of Democrats favor the relief efforts. This support grows even stronger (87%) when voters learn that both Presidents Biden and Trump support expanding the Child Tax Credit, demonstrating unique bipartisan backing for this economic solution.
- The combined impact of inflation and rising child care costs is creating a double burden for working families.***  
Most parents with children under five (73%) believe child care is expensive, with costs having risen 32% since 2019 - outpacing general inflation. A majority (51%) report that the availability of high-quality and affordable child care has deteriorated over the last few years. For many families, child care costs now rival or exceed their housing expenses, creating an untenable financial situation.

**4. *The lack of affordable child care is having measurable negative impacts on Ohio's economy and workforce.***

Nearly half of working parents (49%) have cut back on their work hours to care for their children, translating to over 1,000,000 working parents in Ohio. Among moms with children under five who don't currently work full time, 61% say they would return to work if they had access to high-quality, affordable child care. The economic impact is substantial, with estimates showing Ohio loses billions annually in productivity, revenue, and wages due to child care challenges.

**5. *Parents recognize the clear connection between the state's economy and child care.***

When parents without child care are asked what would they be able to do if they had it, the dominant responses are “*work more*” and “*get a job.*” And, parents who have child care agree that child care allows them to “*work more.*” Clearly, parents believe that child care allows them to work more, provide for their families and be productive members of Ohio’s economy.

**6. *Ohio voters across the political spectrum recognize these issues require government action.***

Overwhelming majorities of voters support both increased child care funding (84%) and the Child Tax Credit (84%). This includes strong backing from Republicans (77%), Independents (84%), and Democrats (92%) for increased child care funding. Moreover, 68% of voters believe the government should help fund child care for working parents, recognizing it as both a family and economic imperative.

***BOTTOM LINE***

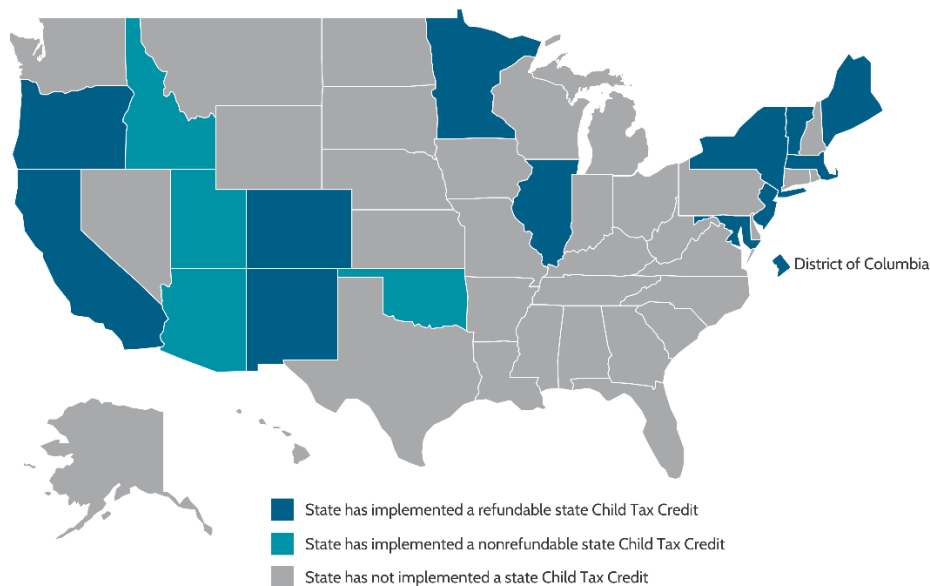
The survey results demonstrate an opportunity to address family economic security through a comprehensive approach. The strong bipartisan support for both the Child Tax Credit and increased child care funding creates a clear mandate for action. Ohio voters understand these aren't just family issues - they're economic ones that affect the entire state's prosperity. The data strongly suggests that a policy package combining the Child Tax Credit with increased child care support would address both immediate financial pressures and structural economic barriers facing working families.

With inflation and child care costs continuing to squeeze family budgets, voters across the political spectrum recognize the time for action is now.

## Ohio Proposal for a State Child Tax Credit (CTC)

### Background on State CTCs

State CTCs are targeted tax credits designed to benefit children and their families. As of February 2025, 17 states offer a state CTC. More than half of states with a credit began implementing it in the past 5 years, and those that already had existing credits have expanded their generosity over that time frame.



Most state CTCs were implemented or expanded following the temporary expansion of the federal CTC in 2021, and because of their recency, state CTCs have not yet been studied rigorously. However, research has found numerous benefits for expanding the federal credit, suggesting that state credits are promising for improving outcomes for children and families. For example, temporary modifications to the federal CTC, through the American Rescue Plan Act in 2021, lifted an estimated 2.1 million children out of poverty. The expanded federal credit, which provided up to \$3,600 annually for each child ages birth to 5, reduced food insecurity and improved parents' mental health.

### ***State CTC Policy Variation***

State CTCs vary in refundability, structure, value, and eligibility. Thirteen states currently offer a refundable credit, and only four offer nonrefundable credits. The maximum value of credits has increased over the past several years as states have introduced more generous credits. As of tax year (TY) 2025, the maximum value of state CTCs ranges from \$100 per child in Arizona to \$1,750 in Minnesota.

Most states structure their state CTC as a per-child credit and either provide (1) the full credit to all eligible families (as Idaho and Massachusetts do) or (2) phase-down the value of the credit as families' incomes increase. Alternatively, three states (Illinois, New York, and Oklahoma) set the value of their state CTC as a percentage of another state or federal credit. Currently, the states with a per child credit do not have a phase in, so families in those states do not need to earn a minimum income to benefit from the credit.

In addition to Idaho and Massachusetts, New Mexico provides some credit to all families regardless of income. The remaining states have income limits to remain eligible for the credit. The income limits range from a maximum of \$15,000 per year in Maryland to \$440,000 per year for joint filers in Maine.

Six states (Arizona, Idaho, Maine, New Mexico, New York, and Oklahoma) align the age eligibility of their state credit with the federal CTC, making the credit available to families with children under age 17. Minnesota is the only state to be inclusive of 17- and 18-year-olds. The remaining states direct their credits towards younger children.

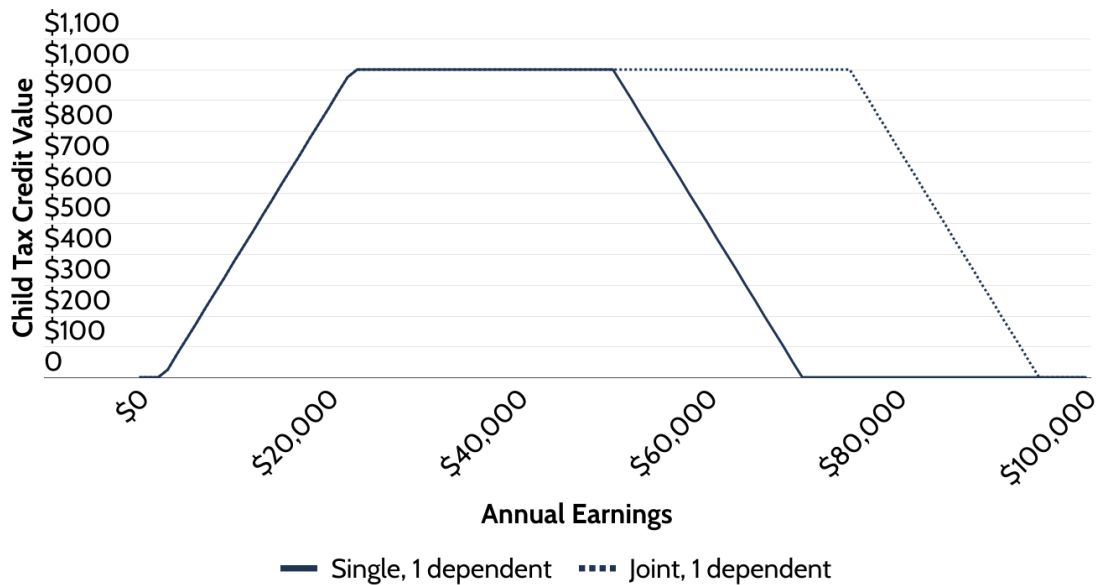


## Ohio's Proposal: House Bill 96

The child tax credit proposed in House Bill 96:

- Provides a maximum **refundable credit of \$1,000** to families with at least \$23,000 in income.
- Phases out beginning at \$50,000 for single filers and \$75,000 for joint filers. Single and joint filers with incomes exceeding \$70,000 and \$95,000 respectively, are ineligible for the benefit.

### Value of Ohio's Proposed Child Tax Credit



It is important to consider the proposed child tax credit within the context of Ohio's existing state income tax system, which includes a nonrefundable earned income tax credit (EITC) that is 30% of the federal credit. The nonrefundable EITC erases the tax liability for most recipients, **meaning that most who are EITC eligible would receive the entire value of the proposed CTC as a refund.** Importantly, for filers not eligible for the state EITC, the CTC decreases the amount of taxes owed to the state.

### Taxes Returned or Owed by Filing Status

Includes the value of the nonrefundable EITC and proposed CTC

