

June 12, 2003

HOUSE CHILD CREDIT BILL GIVES BIGGER TAX BREAK TO MEMBERS OF CONGRESS THAN TO LOW-INCOME WORKING FAMILIES

The child tax credit bill on which the House of Representatives will vote today gives a much larger new tax break to Members of Congress — who already receive hefty tax cuts under the tax-cut bill signed two weeks ago — than to the low-income working families left out of the recently signed bill.

- With a salary of \$154,700 in 2003, Members of Congress with one or two children are ineligible for the child tax credit under the current law.
- Under the House bill, married filers that have two children and incomes of \$154,700 will receive a child tax credit of \$1,750 — or \$875 per child. For such a family, this is a \$1,750 tax cut in tax year 2003. This tax cut will be on top of the generous tax cuts that people at this income level — including Members of Congress — receive under the tax-cut bill signed two weeks ago. (Members of Congress with outside income that raises their total income somewhat above \$154,700 will receive a smaller tax cut under the House child credit bill.)
- Similarly, a House member with *three* children already is receiving a \$750 tax cut as a result of the child tax credit provisions in the newly enacted tax-cut law. Such a Member will receive a further \$2,000 tax cut from the child tax credit provisions of the House bill.
- By contrast, low-income working families with children left out of the recently enacted tax cut law will receive much smaller tax benefits. A married family with two children who earns \$15,000 will receive a tax benefit of \$225 in 2003 — or \$112.50 per child — from the House bill. This is about one-eighth of the new tax break that a Member of Congress with two children and an income of \$154,700 will get.

A married family with two children and income of \$20,000 will receive a tax benefit of \$475, or \$237.50 per child. This is a little over one-quarter what the Member of Congress with two children and an income of \$154,700 will receive under this legislation.