



March 19, 2025

To: Chairperson Von Gillern and Members of the Revenue Committee
From: Katie Nungesser, Policy Coordinator for Voices for Children in Nebraska
RE: Support for LB 157, Adopt the Child Tax Credit Act

Every child in Nebraska deserves the opportunity to thrive, and when families have the financial resources they need, children do better. The Child Tax Credit (CTC) is a proven tool that supports families by easing the financial burdens of raising children, helping them afford essentials like food, housing, child care, and education. By passing LB 157 and establishing a state-level CTC, Nebraska can take a critical step in ensuring our children grow up healthy, safe, and with the stability they need to succeed.

Child tax credits are among the most effective ways to reduce child poverty. In 2021, the expansion of the federal Child Tax Credit led to a 46% decline in child poverty nationwide, bringing the child poverty rate below that of adults for the first time. Unfortunately, with the expiration of those enhancements, Nebraska families are facing rising costs and renewed economic strain. LB 157 would help counteract this backslide by providing direct relief to families, allowing them to cover basic needs and invest in their children's future.

One of the biggest challenges families with young children face is the high cost of child care. In Nebraska, the average cost for a young child's care in 2021 was approximately \$11,000 per year—more than the average cost of in-state college tuition. Parents should not have to choose between affording quality child care and maintaining employment. A state-level CTC would provide much-needed support, ensuring more children have access to safe, high-quality early learning opportunities while allowing parents to remain in the workforce.

The benefits of a Child Tax Credit extend beyond financial stability. Research consistently shows a strong link between family income and child well-being, including health, educational achievement, and future earnings. Policies like the CTC have been shown to improve school performance, increase high school and college graduation rates, and contribute to better long-term economic outcomes for children. Investing in children today through LB 157 means a stronger workforce and economy for Nebraska tomorrow.

By implementing a state-level Child Tax Credit, Nebraska has the opportunity to provide immediate relief to working families while making a long-term investment in our children's success. We commend Senator Conrad for her leadership on this critical issue and respectfully urge the committee to advance LB 157. Thank you for your time and consideration.