

Federal Tax Policy and Children

The federal earned income tax credit now represents the largest federal investment in working, low-income children and their families, much larger than TANF and successful in lifting many families out of poverty. Other tax policies, such as the child tax credit and reduction of the “marriage tax penalty,” have reduced tax burdens for middle-income families with children, in particular. Some of these are scheduled to expire at the end of 2012, along with a number of other tax provisions. At the same time, reauthorizing all the federal tax provisions would have the effect of increasing the federal budget deficit or requiring major cutbacks of current investments in children, or both.

As U.S. Senator, what will you do to develop federal tax policy that is both child and family friendly?



GRASSLEY: I have been at the forefront on passage of many tax relief measures into law to help our children and families. As Chairman or Ranking Member of the Senate

Finance Committee over the last decade I have helped to extend the Earned Income Tax Credit, expand tax benefits for new school construction bonding, extend and expand the Child Tax Credit and eliminate the marriage penalty tax.

Also, as Chairman of the Committee, I led the effort to lower the lowest income tax bracket all the way down to just 10%. This is of great benefit to the working poor who struggle in trying to move ahead in life and save or invest for themselves and their family.

As well, I have been the lead proponent of trying to get rid of the Alternative Minimal Tax (AMT). This tax is a trap that captures working families never intended to have
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CONLIN: We must work to reduce the tax burden upon those who can least afford it by reducing and eliminating any regressive tax policies currently in place. Further, we

must identify those behaviors that we want to reward through tax credits; such as the child tax credit and the earned income tax credit. In addition, we must open the doors to higher education and remove the financial barriers that so many lower and middle class families face by examining and implementing a means to deduct college tuition. I support extending the 2001 and 2003 tax cuts for the middle class and to lower the deficit, I support letting the tax cuts expire for the top 2%.