

Together, we can...

Advance Tax Policy that Helps Families Make Ends Meet

Families deserve meaningful support that recognizes that providing our children what they need to be healthy and cared for is increasingly expensive.

Families are facing volatile and high prices of everyday goods and services, and parents have limited access to family-focused tax credits, which help them afford the basics. While pandemic-era federal choices, such as an expanded Child Tax Credit (CTC), helped lift families and children out of poverty, the federal package passed in summer 2025 cuts benefits that help families afford food and health care, while giving big tax cuts to the wealthy.

Even when they had the opportunity to, federal lawmakers did not take action to reinstate the most impactful pandemic-era CTC expansions during federal

negotiations in summer 2025. Instead, their changes left out lower-income families and enacted new barriers for some. As a result, 342,000 Virginia children, over half of whom are Black and Latino, are left without access to the full federal credit. And Virginia state lawmakers have not leveraged momentum of the expanded credits' success, failing to establish a state-level Child Tax Credit. While Virginia offers a refundable state Earned Income Tax Credit (EITC) — 20% of the federal EITC — it is set to expire after 2026, and many of our neighbors would be unable to access the full benefit of the state EITC offered.

Virginia lawmakers can work to improve the state EITC and establish a Commonwealth Kids Credit to provide meaningful support to low-income families and families with children.

What can we do?

Advance commonsense policies

- Make the state refundable EITC permanent and increase it to 25% of the federal credit.
- Consider increasing the refundable state credit beyond 25% of the federal credit, and increase the smaller EITC for workers without children.
- Create a Commonwealth Kids Credit and consider a range of design principles. A \$500 credit per child for families with incomes below \$100,000 would reach over 1 million children in over 700,000 Virginia households. A more sizable credit, around \$4,000 plus a young-child bonus that phases out at higher incomes much like the EITC, could cut Virginia's child poverty in half.

Learn more & engage

- Learn more about creating a Commonwealth Kids Credit. Get started at bit.ly/va-ctc.
- Check out how an improved state EITC helps our neighbors with low incomes at bit.ly/va-eitc-2023.
- Contact us at www.taxfairnessforvirginia.org to get involved and help fix our upside-down tax code! Learn how you can share your story, educate lawmakers, and be a part of the process to advance tax justice in Virginia.



I see first hand the needs of our families while working in our youth programs providing much needed direct support in our community. Targeting funding towards a refundable Child Tax Credit and strengthening the Earned Income Tax Credit would provide a lift to those that need it most.

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