



Catholic Charities

MARIN ♦ SAN FRANCISCO ♦ SAN MATEO

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May 19, 2023

The Honorable Assemblymember Chris R. Holden  
Chair, Assembly Appropriations Committee  
1021 O Street  
Sacramento, CA 95814

**Re: Support for Tax Credit Legislation to Help Transform the Lives of Low-Income Californians**

Dear Assemblymember Holden,

Thank you for your leadership and attention to policies that address the needs of California's most vulnerable residents. I am writing to elevate effective antipoverty policies to your attention: passing AB 1498 (the Earned Income Tax Credit) and AB 1128 (the child tax credit expansion) into law.

At Catholic Charities of San Francisco, Marin, and San Mateo Counties, we provide comprehensive human services to vulnerable populations. Last year, we served more than 70,000 people, most of them below or on the cusp of the poverty line. Our clients struggle to make ends meet and often have to make tradeoffs or go without critical needs to pay their rent, which is particularly true if they have children. Recent financial pressures from inflation have made these tradeoff decisions much more frequent.

AB 1498 (Gibson) and AB 1128 (Santiago) would allow these residents and their families to receive a much-needed financial boost to help them pay their rent, buy food, or access childcare. Moreover, for every \$1 of tax credit these families spend on essential needs, \$1.70 is invested in the local economy.<sup>1</sup>

According to census data analysis from 2018, the national Earned Income Tax Credit (EITC) transformed the lives of 5.6 million people, including 3 million children, by raising them above the poverty line.<sup>2</sup> When the EITC was combined with the child tax credit, the transformation and impacts were even more significant, as 10.6 million people were lifted above the poverty line and an additional 17.5 million people experienced less severe poverty because of the benefits of both tax credits.<sup>3</sup> Academic research has demonstrated that increasing a low-income family's income has immediate and long-term benefits to child development, including better school performance, higher likelihood of college performance, better health, and higher earnings in adulthood.<sup>4</sup>

Therefore, on behalf of Catholic Charities, we urge you to support AB 1498 and AB 1128 to increase the Earned Income Tax Credit and expand access to the child tax credit for families with children above the age of 6 years old.

Sincerely,

Dr. Ellen Hammerle  
Chief Executive Officer

Patrick Woody  
Chair, Public Interest Committee of the Board

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<sup>1</sup> United Ways of California estimate in <https://www.caprado.org/articles/2023/04/22/california-bills-to-expand-state-tax-credits-could-send-1-billion-to-low-income-families/>

<sup>2</sup> <https://www.cbpp.org/research/federal-tax/the-earned-income-tax-credit>

<sup>3</sup> <https://www.cbpp.org/research/federal-tax/the-earned-income-tax-credit>

<sup>4</sup> National Academies of Sciences, Engineering, and Medicine. 2019. A Roadmap to Reducing Child Poverty. Washington, DC: The National Academies Press.



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cc: The Honorable Mike Gibson, Author, California State Assembly  
The Honorable Miguel Santiago, Author, California State Assembly

Members of the Assembly Appropriations Committee:

The Honorable Megan Dahle, Vice Chair

The Honorable Isaac Bryan

The Honorable Lisa Calderon

The Honorable Wendy Carrillo

The Honorable Diane Dixon

The Honorable Mike Fong

The Honorable Gregg Hart

The Honorable Josh Lowenthal

The Honorable Devon Mathis

The Honorable Diane Papan

The Honorable Gail Pellerin

The Honorable Robert Rivas

The Honorable Kate A. Sanchez

The Honorable Akilah Weber, M.D.

The Honorable Lori Wilson

**Serving Everyone: One Person. One Community. One Family at a Time.**

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