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Children's Defense Fund

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WHOSE CHILD IS LEFT BEHIND?

MILLIONS OF TAXPAYING, WORKING FAMILIES WILL RECEIVE NO TAX RELIEF CHECK THIS SUMMER

Advance Child Tax Credit Payments Will Exclude Most Children of Sales Workers, Farming Families, Cooks, Janitors

The postal service this Friday will start delivering about 25 million advance child tax credit checks. It will skip the mailboxes of millions of children in hard-working, taxpaying families, unjustly excluded from the newly expanded child tax credit. The Bush Administration's massive new tax cut enacted this year expands the child tax credit by \$400 per child for some families. Yet, one in four American children under 17 will get nothing this summer from the massive tax cut that disproportionately benefits the wealthy — unless the White House and Congress act now.

Among those who will get no tax relief this summer are (see Table below):

- more than three quarters (801,000) of the children of sales workers
- more than half (903,000) of the children of janitors and maids
- more than half (526,000) of the children of cooks and other kitchen workers
- more than half (290,000) of the children of farmers and farm workers
- two out of five children (376,000) of child care workers and their aides
- one in four (711,000) children of nurses and their aides
- one in four (483,000) children of secretaries and related office workers
- one in five (264,000) children of truck, bus and cab drivers

A tax relief provision for low-income, working families earning between \$10,500 and \$26,625 was taken out of this year's tax cut at the last minute. It would have provided a fairer child tax credit to 12 million children, including 260,000 children of active duty armed forces personnel.

Critics have argued that Congress should not grant tax relief to families who are unemployed or who do not pay federal income taxes. However, all of these excluded, hard-working families do pay taxes: payroll taxes, state and local sales taxes, property taxes, or excise taxes.

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Excluded low-income children can be helped immediately by restoring the Senate provision, which would cost \$3.5 billion. According to *The New York Times*, America's 400 wealthiest taxpayers would gain an average of \$8.3 million each, at a total cost of \$3.3 billion a year — about enough to cover the cost of the provision to help families who need it most.

White House leadership is needed to ensure immediate congressional action to right the wrong for those families unjustly left behind by the Administration's massive new \$350 billion tax cut.

TABLE 1
Dependent Children Under 17
By Selected Detailed Occupations of One or Both Parents

<i>Occupation of Parents</i>	Receive NO		As % of Total	Would receive increase under Senate Lincoln-	
	Total	increase in child tax credit check under May 2003 law		Snowe low- income tax relief	As % of Total
Sales Workers (Retail and Personal Services)	1,047,000	801,000	77	299,000	29
Farmers and Farm Workers	530,000	290,000	55	178,000	34
Cooks and Other Kitchen Workers	953,000	526,000	55	377,000	40
Bartenders, Waitresses, and their Assistants	276,000	146,000	53	123,000	45
Janitors and Maids	1,694,000	903,000	53	540,000	32
Child Care Providers and their Assistants	975,000	376,000	39	216,000	22
Barbers and Beauticians	511,000	169,000	33	104,000	20
Nurses, Nurses Assistants (incl. Orderlies and Attendants)	2,938,000	711,000	24	567,000	19
Secretaries, Receptionists and Clerks	2,104,000	483,000	23	446,000	21
Truck, Bus and Cab Drivers	1,375,000	264,000	19	292,000	21
Teachers (Grades Prekindergarten–12) and their Aides	3,245,000	358,000	11	337,000	10
In Armed Forces (Child lives in U.S. off base)	1,395,000	121,000	9	262,000	19

Source: Children's Defense Fund 2003 tax simulations for families in the U.S. Census Bureau's March 2002 Current Population Survey