

NOVEMBER 2025

## Since the Federal Expanded CTC Expired in 2021, 22 States & DC Have Passed New or Expanded Tax Credits

### Tax Credit Nationwide Trends: By the Numbers

- Since the beginning of 2022, **22 states plus D.C.** have passed **more than 50 new policies** that enacted or improved Child Tax Credits (CTC) or Earned Income Tax Credits (EITC), cumulatively putting more than **\$14 billion** in the pockets of Americans over four years.
- Since 2019 when ESP achieved its first tax credit wins, **25 states plus D.C.** have passed **more than 70 new policies** that enacted or improved Child Tax Credits (CTC) or Earned Income Tax Credits (EITC), cumulatively putting more than **\$24 billion** in the pockets of Americans over seven years.
- When Americans file their taxes next year, at least **4 million households** will receive **\$6 billion in cash** through targeted state tax credits enacted since 2019.

Year	Number of states that passed tax credit improvements	Number of policies enacted	Additional annual household benefits
2019	4	6	\$943M
2020	3	5	\$142M
2021	7	9	\$275M
2022	12	15	\$636M
2023	18	20	\$2.2B
2024	5	6	\$801M
2025	12	14	\$1.5B

- In 2021, only **8 states** had a permanent state-level Child Tax Credit. Now, **18 states** (including District of Columbia) do: AZ, CA, CO, CT, DC, GA, IL, ME, MD, MA, MN, NJ, NM, NY, OK, OR, UT, VT. (CT and IL CTCs are administered as a bonus on EITC credits for families with children; ID's CTC will sunset on Jan. 1, 2026.)

# Defending Progress on Tax Credits

Many states will face budget crises in the coming year due to the cuts in H.R. 1, the 2025 federal tax bill. Given this context, we will work with state partners to prioritize defensive work across the country so that we don't lose ground on critical gains we made over the past several years. In a recent survey, half our state partners expressed a medium or high level of concern about the possibility of rollbacks to their state tax credits or delays in implementing expansions. In response, ESP is launching a robust tax credit defense campaign to support state partners that includes:

- A template tax credit defense campaign plan,
- Research & policy backup around credit rollbacks and revenue options,
- Messaging support,
- 1:1 campaign coaching, and
- Grants to state partners.

## State Tax Credit Wins in 2025

### Connecticut

- **Policy:** Enacts new Child Tax Credit of \$250 per year for EITC recipients with children
- **Credit type:** CTC
- **Households impacted:** 80,000
- **Additional annual investment in households:** \$36 million

### District of Columbia

- **Policy:** Enacts new Child Tax Credit of \$1,000 per year
- **Credit type:** CTC
- **Additional annual investment in households:** \$239 million (combined with EITC changes below)

### District of Columbia

- **Policy:** Increases EITC match to 100% of federal
- **Credit type:** EITC
- **Households impacted:** 74,000

## Georgia

- **Policy:** Enacts new nonrefundable Child Tax Credit of \$250 per child under 6
- **Credit type:** CTC
- **Households impacted:** 652,000
- **Additional annual investment in households:** \$141 million

## Illinois

- **Policy:** Budget includes funding to double Child Tax Credit from 20% to 40% of state EITC for families with kids under 12
- **Credit type:** CTC
- **Households impacted:** 370,000
- **Additional annual investment in households:** \$100 million

## Maine

- **Policy:** Doubles Dependent Exemption Tax Credit from \$300 to \$600 for kids under 6 and offsets cost by lowering upper income threshold
- **Credit type:** CTC
- **Additional annual investment in households:** \$580,000

## Maryland

- **Policy:** Enacts a phase-in for upper-income limit for EITC
- **Credit type:** EITC
- **Households impacted:** 15,600
- **Additional annual investment in households:** \$7 million

## Montana

- **Policy:** Doubles state EITC from a 10% to 20% match of federal
- **Credit type:** EITC
- **Households impacted:** 71,473
- **Additional annual investment in households:** \$38 million

## New York

- **Policy:** Increases Empire State Credit to \$500 per child, or \$1,000 per child zero to three
- **Credit type:** CTC
- **Households impacted:** 1.6 million
- **Additional annual investment in households:** \$825 million

## **Pennsylvania**

- **Policy:** Enacts new EITC at 10% match of federal credit
- **Credit type:** EITC
- **Households impacted:** 1 million
- **Additional annual investment in households:** \$194 million

## **Utah**

- **Policy:** Expands CTC from kids 1-4 to kids 1-5
- **Credit type:** CTC
- **Households impacted:** 9,600
- **Additional annual investment in households:** \$4 million

## **Vermont**

- **Policy:** Expands CTC from kids 5 and under to kids 6 and under
- **Credit type:** CTC
- **Additional annual investment in households:** \$5 million

## **Vermont**

- **Policy:** Increases EITC for adults without dependents in the home from 38% to 100%
- **Credit type:** EITC
- **Additional annual investment in households:** \$3 million

## **Virginia**

- **Policy:** Increases EITC from 10% to 15% federal match
- **Credit type:** EITC
- **Households impacted:** 536,000
- **Additional annual investment in households:** \$35 million