

The child tax credit helps our kids, communities, and economy flourish — LD 1294 will double the state credit for low- and middle-income families with young kids without increasing costs!

We all believe in giving kids their best start. The **child tax credit** does just that, helping families afford essentials, reducing poverty, and boosting the economy.

Why does it matter?

Many families in Maine struggle to afford basic needs like food, rent, fuel, and child care. In 2023, 12.6% of Maine kids lived in poverty. In 2021, the expanded federal child tax credit helped families cover essentials and cut child poverty in Maine by half.

Boosting Maine's child tax credit is a **smart investment** that will improve long-term economic stability and opportunity for kids and help Maine's economy grow. Studies show **every \$1 spent on the federal child tax credit returns \$10 to the economy**. Helping families now will create a better future for everyone in Maine.

What's changing?

The Dependent Exemption Tax Credit (DETC) is Maine's version of the child tax credit, helping families with kids or dependent adults pay for what they need. Last session, the legislature fixed a flaw in the DETC's design that left out families with low income who need it most.

Under a bipartisan bill, LD 1294, Maine could increase the DETC to help kids even more. The tax credit would double — providing an additional \$300 for dependents under age 6 — and be more targeted to families with low and middle income. The proposal is revenue neutral — it pays for itself by phasing out the benefit for Maine's highest earners who need the support less.

Families with young children often face financial strain due to caregiving responsibilities, leading to higher poverty rates. The child tax credit helps ease this burden, improving basic needs support and reducing long-term health risks linked to early childhood stress and poor nutrition.

Studies show more money for families helps kids do better in school, stay healthy, and earn more as adults. Families will be able to afford more of the basics so they can get ahead. And it also helps local businesses because families will spend more in their communities.

A stronger DETC means stronger families, a stronger economy, and a stronger Maine!



What caregivers are saying

"The financial cost of caring for kids is huge. But there is no greater investment." Kourtney, Ellsworth

"Lawmakers should see what it's like to live day to day, not knowing how you're going to pay rent, or put food on the table for your kids." Alex, Bryant Pond

"Raising children is expensive, especially with the rising costs of food and childcare. The child tax credit helps keep kids fed, clothed, and sheltered, setting them up for success later in life. This is a relatively small change that can have massive impacts down the road." Sam, Portland

"We live below the poverty line, so having some extra money would help make sure we had food on the table. I could make sure the bills are paid so I'm not worried about the light bill so I'm not worried about extra things my daughter might need. It's a little extra security." Roxy, Bryant Pond