

United States Senate

WASHINGTON, DC 20510

November 14th, 2007

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus:

We write to express our support for protecting recipients of the refundable Child Credit as part of upcoming tax legislation. The credit is important anti-poverty and pro-work tax policy that improves the fairness of the tax code and directs tax relief to children in low-income working families. Significant improvements to the credit were included in H.R. 3996, which was passed by the House of Representatives last week. We hope the Senate will follow suit and address the pressing problems with the refundable Child Credit in a fiscally responsible way.

The Child Credit recognizes that raising children is expensive. Whether it is paying for child care, clothing, food, school supplies, or even health care, many working families struggle every month just to make ends meet. Unfortunately, as you know, the current structure of the Child Credit excludes more and more families from the benefit each year. That's because it indexes the income eligibility threshold for inflation, meaning that when low-income families see their incomes stagnate -- as many have for the last few years -- they also lose part or all of the Child Credit. (The credit is refundable to the extent of 15% of the taxpayer's earned income in excess of the income threshold.) Thus, just as inflation pushes more and more families onto the Alternative Minimum Tax, it also eliminates or reduces many low-income families' child tax benefit. If Congress takes no action, it is estimated that over 6 million children in working-poor families will get no benefit from the credit in 2008 because their families' incomes are too low.

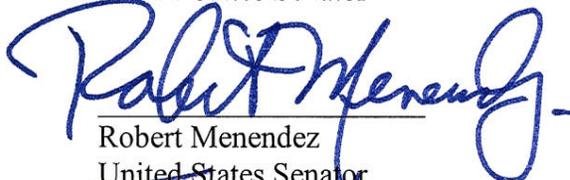
The provision that passed in the House of Representatives will lower the income eligibility threshold from \$12,050 to \$8,500 in 2008, a level low enough to ensure that all families with children that have a full-time minimum wage worker can receive a meaningful benefit (though still not the full credit). It is estimated that this change would help about 13 million children, all of whom have working parents, and all of whom are low-income. At a time when so many American families are struggling, expanding the refundable Child Credit should be a priority.

We urge you to include a similar provision in any Senate tax bill as a step in addressing the broader goal of equal opportunity for all. If your staff has any questions please have them contact Ian Solomon of Senator Obama's office at 224-2854.

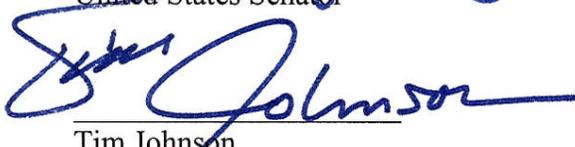
Sincerely,



Barack Obama
United States Senator



Robert Menendez
United States Senator



Tim Johnson
United States Senator



Bill Nelson
United States Senator



Richard Durbin
United States Senator



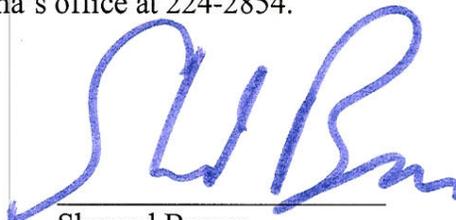
Sheldon Whitehouse
United States Senator



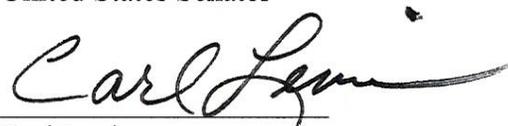
Tom Harkin
United States Senator



Benjamin Cardin
United States Senator



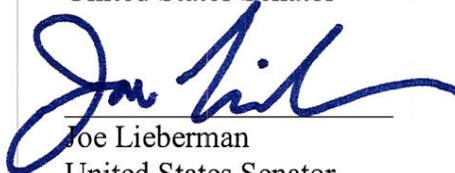
Sherrod Brown
United States Senator



Carl Levin
United States Senator



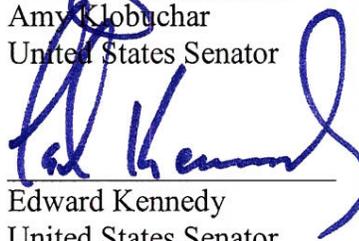
Robert Casey
United States Senator



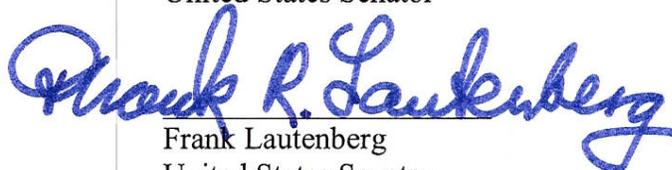
Joe Lieberman
United States Senator



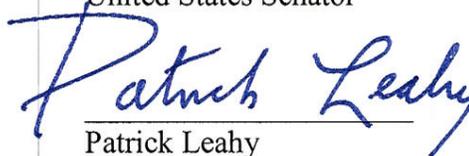
Amy Klobuchar
United States Senator



Edward Kennedy
United States Senator



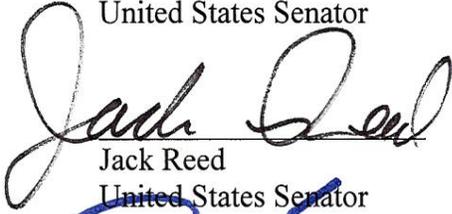
Frank Lautenberg
United States Senator



Patrick Leahy
United States Senator



Christopher Dodd
United States Senator



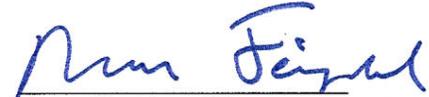
Jack Reed
United States Senator



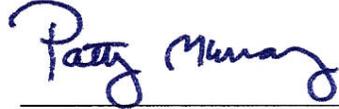
Barbara Boxer
United States Senator



Bernie Sanders
United States Senator



Russell Feingold
United States Senator



Patty Murray
United States Senator



Byron Dorgan
United States Senator