

Rhode Island Child Tax Credit 2026 Proposals
Governor's FY27 Budget, Article 5, Section 5 and 6
H-8338/Tanzi and S-2823/Vargas

Child Tax Credits Help Families Make Ends Meet

Child Tax Credits are a **proven strategy** to help families with the high cost of raising children. Parents use cash refunds from federal and state Child Tax Credits for **essential family needs** like food, housing, utilities, child care, clothing, and education expenses. Cash refunds also help families pay down debt. As of tax year 2025, **16 states have a Child Tax Credit** (12 refundable and 4 non-refundable) to help reduce child poverty and improve family economic security. Nearby states with a refundable Child Tax Credit include Maine, Massachusetts, New Jersey, New York, and Vermont.



Right from the Start



Rhode Island Coalition for Children and Families

Together for Children. Families. Communities.

Refundable State Child Tax Credits

A refundable tax credit means you will get money back as a refund even if your wages are so low that you don't owe any income tax. Refundable child tax credits stimulate state economies and:

- Reduce child poverty rates and boost child well-being.
- Help parents meet children's basic needs and improve family financial stability.
- Reduce inequality by helping families missed by the federal Child Tax Credit.

Babies and Young Children Benefit

According to [Vanderbilt University's Prenatal to 3 Policy Impact Center](#) Child Tax Credits can be particularly helpful for babies and young children.

- More household resources and reduced family stress during the prenatal to age 3 period help support healthy brain development during the most rapid and sensitive period.
- Household financial stability leads to more nurturing child-parent relationships and reduces the likelihood of child neglect and abuse.

Governor McKee's FY27 Budget Child Tax Credit Proposal

According to the [Niskanen Center's analysis](#), Governor McKee's Child Tax Credit proposal would:

- Be a fully refundable Child Tax Credit worth **\$325 per child** under age 19.
- Reduce child poverty in Rhode Island by **2.1%**.
- Reach our most vulnerable children, including those in families with low or no income.
- Cost \$36.7 million.

Representative Tanzi's (H-8338) and Senator Vargas's (S-2823) Child Tax Credit Proposal

According to [PolicyEngine's](#) analysis, legislative proposals would:

- Be a fully refundable Child Tax Credit worth **\$650 per child** under age 19.
- Reduce child poverty in Rhode Island by **4.4%**.
- Reach our most vulnerable children, including those in families with low or no income.
- Cost **\$107** million.