March 28, 2023

The Honorable Jacqui Irwin  
Chair, Assembly Revenue & Taxation Committee  
1020 N Street, Room 167A  
Sacramento, CA 95814

RE: AB 441 (Haney) – Monthly payments of refundable tax credits – SUPPORT

Dear Chair Irwin:

I write to express strong support of AB 441 (Haney), which would allow Californians to receive advance monthly payments of their CalEITC, Young Child Tax Credit, and Foster Youth Credit, if the combined value of the credits is $1,000 or greater.

As an urban policy organization committed to helping all people achieve economic security, SPUR believes that transitioning tax credits to monthly payments is a vital step in helping people become economically secure. AB 441 maximizes the impact of the state’s existing tax credit programs, providing critical, year-round financial support for low-income Californians to help meet their basic needs.

Many low-income Californians face destabilizing swings in their income that make it harder to meet their needs each month. These income shocks disproportionately affect Black, Latinx, and families with extremely low incomes. The consequences are severe. Families that struggle with income volatility are more likely to turn to risky financial services like payday loans to get by and are more likely to fall into debt. This volatility also threatens housing security: over 75 percent of extremely low-income households are paying more than half of their income on rent each month. Research shows that an unexpected financial crisis (like a medical bill or job loss) is among the most common causes of homelessness.

AB 441 would increase income stability by providing tax credits as advance payments on a monthly basis instead of as an annual lump sum, helping families more easily meet their needs as they come up throughout the year. AB 441 maximizes the impact of California’s existing tax credit programs, which provide millions of dollars to low-income working people across the state every year. Monthly payments of federal tax credits have been shown to lift one-third more children above the poverty line each month, dramatically reduce food insecurity, and help parents pay for child care. Homelessness prevention programs also show that a few hundred dollars a month can make the difference between staying housed or being evicted.

California has been a national leader in providing life-changing cash assistance for hard-working families through smart and targeted tax credit programs. We can continue to lead now: boosting the impact of those credits and creating more economic security for Californians.

For the above reasons, we urge you to support AB 441.
Sincerely,

[Signature]

Jacob Denney
Economic Justice Policy Director
SPUR