



S.2082 (Gounardes) / A3474 (Hevesi)

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SUBJECT Working Families Tax Credit
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SUPPORT

The Business Council of New York State, Inc., urges Governor Hochul to include the **Working Families Tax Credit (S.2082/A.3474)**, its full inclusion, in the Final FY 2026 State Budget. At a time when working families across New York are navigating rising costs and economic uncertainty, this proposal offers a smart, targeted, and high-impact solution that benefits both families and the economy at large.

The Working Families Tax Credit (WFTC) would consolidate and expand New York’s existing child-related tax credits, streamlining the Empire State Child Credit, Earned Income Tax Credit, and the dependent exemption, into one simplified, equitable structure. By providing quarterly, advance payments to families with children, the WFTC offers immediate and consistent support to meet basic needs such as housing, food, transportation, and child care. This kind of direct and flexible relief is exactly what’s needed to stabilize households, improve workforce participation, and promote long-term economic mobility.

The proposed credit is also a cornerstone of New York’s broader anti-poverty and economic equity agenda. It reflects the top recommendation of the Child Poverty Reduction Advisory Council, aligning with the state’s legally mandated goal of cutting child poverty by 50% over the next decade. If enacted, the Working Families Tax Credit would reduce deep child poverty by 22% statewide, according to modeling by the Center on Poverty and Social Policy at Columbia University.

Beyond its direct impact on families, the WFTC would generate significant regional and statewide economic activity. An analysis by Policy Engine found that more than one-third of New Yorkers would see an increase in net income as a result of the credit. Research from the Immigration Research Initiative estimates that the WFTC would provide \$1.5 billion in direct economic benefits annually to New York City, \$182 million to Buffalo and Western New York, and \$119 million to the Capital Region. These are dollars that would be overwhelmingly spent at small and mid-size businesses, supporting local economies, sustaining jobs, and helping communities recover and grow.

This is not just a social policy; it is economic need. When families are financially secure, businesses benefit from a more stable and engaged workforce. Employers across New York have shared that workforce availability and reliability remain key challenges. The WFTC is a business-friendly solution that meets families where they are, supports retention, and strengthens the labor pipeline.

With the recent closure of regional Head Start offices and increasing strain on support systems, now is not the time for New York State to shy away from making decisions that drive major, lasting impact. The Working Families Tax Credit represents a historic opportunity to deliver meaningful, measurable support to families while bolstering our economy in every corner of the state.