



Committee on Domestic Justice and Human Development

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September 20, 2010

The United States Senate
Washington, D.C. 20510

Dear Senator:

On behalf of the United States Conference of Catholic Bishops, I urge Congress as it debates and decides future tax policy to give priority attention to poor families and their children. Poverty is increasing in our nation. How you structure taxes can make this moral challenge better or worse. Recently the U.S. Census Bureau reported that in 2009 43.6 million people in the United States lived in poverty. It went on to point out that if “refundable credits like the Earned Income Tax Credit were added to income, then almost three million children would move above the poverty line.”

For this reason, I urge you to strengthen and improve the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC) making them better able to reduce and overcome poverty. Helping families most in need will advance the common good and ultimately contribute to a better society for all of us. Too often the weak and vulnerable are not heard in the tax debate. Poor children and their families have compelling needs with a priority claim on both our consciences and our economic choices. Yet they often lack powerful allies and influential advocates.

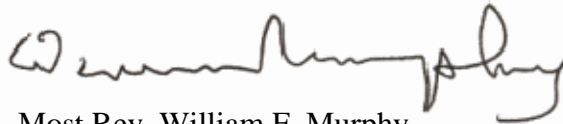
Pope Benedict tells us that economic decisions have ethical consequences. “The Church's social doctrine has always maintained that *justice must be applied to every phase of economic activity*, because this is always concerned with man and his needs. Locating resources, financing, production, consumption and all the other phases in the economic cycle inevitably have moral implications. *Thus every economic decision has a moral consequence.*” (*Caritas in Veritate* #37)

I strongly urge you to preserve the existing refundable provisions of the **Child Tax Credit**. According to the Tax Policy Center, if the current CTC provisions on income eligibility expire nearly eight million children would lose their credit entirely, and an additional ten million children would lose some of it. If Congress lets the CTC provisions expire 600,000 more children will become poor and four million children currently living in poverty will fall into deeper poverty. I urge you to act swiftly to avoid leaving so many low income families worse off during this time of economic distress. I sincerely hope that Congress will preserve the existing refundable provisions of the Child Tax Credit.

It is equally important to retain current provisions of the **Earned Income Tax Credit**. This helps families with three or more children and reduces the “marriage penalty.” In 2009, Congress improved upon the EITC by increasing the credit available to families with three or more children. Preserving this increase is important because of the economic challenges of raising a larger family in these difficult times. Congress also acted to reduce the “marriage penalty” in the EITC, increasing the amount of the credit for married couples. Couples should never have to pay an economic penalty because they marry. It is estimated that these two EITC changes prevented three million people from falling into poverty in 2009 and increased the size of the credit to seven million families. This is no time to abandon these important parts of the safety net for low income families and married couples.

The Catholic bishops have been strong supporters of both the Earned Income Tax Credit and the Child Tax Credit for many years. We believe these essential programs assist workers and families raising children to provide the necessities of life. Unless Congress acts, these vulnerable workers and their children will be left worse off than they are now. The ethical principles of all Americans lead us to recognize that we have a social and civic responsibility to stand with these families and children. As a matter of justice, their needs have a prior claim that is well reflected in this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "William F. Murphy". The signature is written in a cursive style with a large, prominent initial "W".

Most Rev. William F. Murphy

Bishop of Rockville Centre

Chairman

Committee on Domestic Justice and Human Development

United States Conference of Catholic Bishops