



Testimony of Rita Furlow  
Maine Children's Alliance  
Before the Joint Standing Committee on Taxation  
LD 1294  
An Act to Expand the Dependent Exemption Tax Credit  
April 8, 2025

Good afternoon, Senator Grohoski and Representative Cloutier, and esteemed members of the Joint Standing Committee on Taxation, my name is Rita Furlow. I am the Senior Policy Analyst at the Maine Children's Alliance. I am providing testimony in support of LD 1294, *An Act to Expand the Dependent Exemption Tax Credit*. The Maine Children's Alliance is a statewide non-partisan, non-profit research and advocacy organization whose mission is to promote sound public policies to improve the lives of children, youth, and families in Maine.

Children in Maine represent our state's future prosperity. To ensure their well-being, we must invest in them now to reap the positive results in the future. By modifying the dependent exemption tax credit, we can assist families in achieving economic stability, which will benefit their children both now and in the long run.

The Maine Children's Alliance believes that all Maine children should be able to grow up in safe and stable homes, and their families should have access to the resources they need to stay out of poverty. Unfortunately, as was found in the [2024 KIDS COUNT DATA BOOK](#), too many Maine children are living in poverty. In 2023, the Federal Poverty Level (FPL) for a family of two adults and two children was \$30,900. More than 1 in 10 children (12.6% or 31,000) are growing up in poverty, of which more than half (16,000) are growing up in extreme poverty, with an income of less than \$15,450.<sup>1</sup>

Finally, financial hardship and economic shocks overload families and increase the risk for child welfare involvement. Evidence shows that these hardships can be offset by accessing sufficient public benefits.<sup>2</sup> When we ensure families under financial stress are better able to meet their basic needs, we work to strengthen families and make it more likely their children will be able to grow up in a safe, stable, and supportive environment.

We know that too many Maine families are struggling to make ends meet between the high costs of housing, child care, and feeding their families. We urge your support of LD 1294 to improve the Maine dependent tax credit to better support the economic security of Maine children and families.

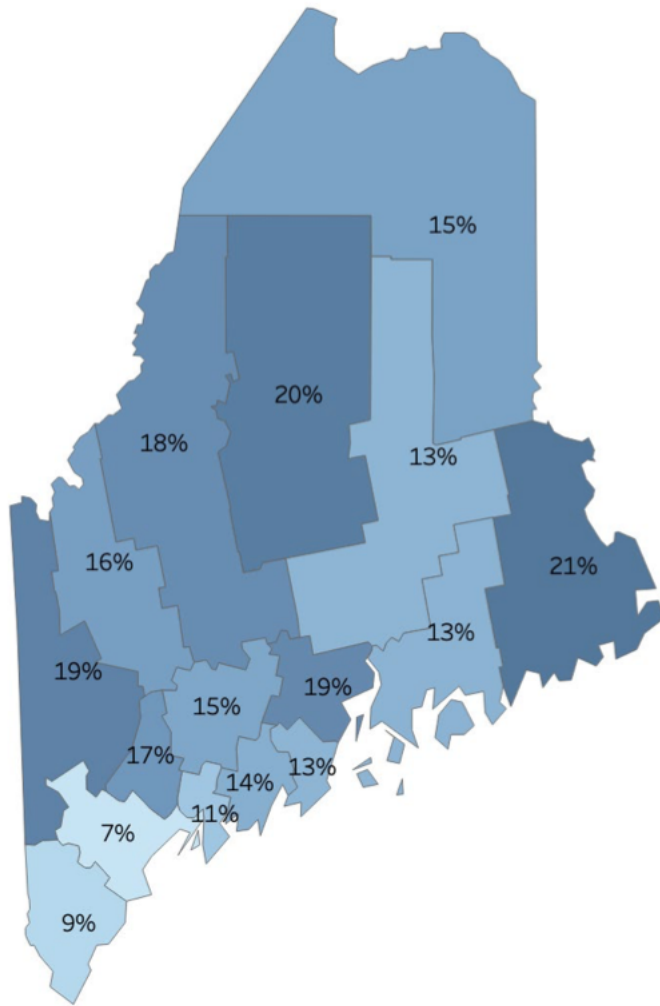
Thank you for your attention and consideration.

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<sup>1</sup> [2024 Maine KIDS COUNT Data Book](#)

<sup>2</sup> [Addressing Economic Hardship Key to Preventing Child Welfare System Involvement](#), Chapin Hall

# Percent of children living in poverty by county (2023)



Source: [Children in poverty](#) - KIDS COUNT

[2024 Maine KIDS COUNT Data Book](#)