Children's Hospital of Philadelphia
PolicyLab

Ensuring All Children Benefit From Refundable Tax Credits—Including Immigrant Children—in 200 Words

Health Equity

Date Posted:

Nov 23, 2026





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Family circumstances shape child health, including household income, access to basic needs and prenatal conditions. Research shows that tax credits help families meet these needs by supporting healthier births, child development, and better educational attainment—all factors that contribute to improved long-term health and economic outcomes.

That's why PolicyLab responded to the Internal Revenue Service's proposed rule on the *Application of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 to the Refunded Portion of Certain Federal Refundable Tax Credits* in October 2026. As written, the rule would drastically restrict eligibility for federal income support for many working families who need it, particularly immigrant families who would otherwise be eligible.

Our experts drew on a robust body of research to highlight the importance of refundable tax credits, including the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), in promoting child health and well-being.

These tax credits support child health by:

- Reducing child poverty and strengthening the economic stability of families
- Reducing food insecurity and improving educational outcomes for children
- Supporting the mental and physical health of caregivers

Tax credits have the potential to get more money into the hands of families and benefit all children who experience poverty. Children in immigrant families experience higher rates of poverty than their U.S.-born peers, making their families' access to economic supports like tax credits all the more vital.