



June 3, 2025

Dear Senator:

As the Senate takes into consideration the recently passed House budget reconciliation legislation, we urge you to protect Medicaid and the Supplemental Nutrition Assistance Program (SNAP), and to support a just and fair tax code that prioritizes poor and vulnerable seniors, children, individuals with disabilities, and families.

Catholic Charities USA (CCUSA) is a national membership organization representing more than 168 diocesan Catholic Charities agencies. These member agencies operate more than 4,000 service locations across 50 states, the District of Columbia, and five U.S. territories. The diverse array of social services offered by agencies reached more than 16 million individuals in need last year. These agencies help people, regardless of their faith, who are struggling with poverty and other issues.

CCUSA supports tax policies that benefit lower and middle-income taxpayers and vulnerable communities, while asking those with greater means to share in the responsibility for alleviating poverty and investing in our country's future. The 2025 tax debate presents a critical opportunity to ensure equity and parity in the tax code, so that those in most need are benefitted.

Catholic Charities leaders help people in their communities escape poverty and prevent others from falling into it, and as such, know the difference between beneficial and burdensome tax policies. We see the number of families who rely on emergency assistance each month because of low-wages; the number of families living in shelters and transitional housing because no affordable housing can be found; the number of families on waiting lists for subsidized child day care who have to entrust their little ones to untrained, unreliable, and even unsafe caretakers; the sick and the injured who cannot get essential health care because they are poor and uninsured. Non-profit and religious groups, dedicated to serving the poor, have suffered from federal and state cuts and are struggling to serve those in need.

Therefore, we respectfully submit the following priorities and concerns for your consideration in the reconciliation bill discussion:

Medicaid: Reject cuts and structural changes to Medicaid, including new work reporting requirements and service fees, that would result in the loss of essential health benefits to people who need them the most and have no other means to access healthcare. Likewise, tax credits that lower health care costs for low- and middle-income families should not be eliminated.

Supplemental Nutrition Assistance Program (SNAP): Reject cuts to SNAP that would prevent seniors, children, and struggling families from receiving food assistance or having it significantly reduced, such as additional work requirements for older Americans and parents of young children or forcing states to cut back on or end food assistance due to increased cost sharing formulas.

Expansion of the Child Tax Credit (CTC): Ensure that the CTC benefits low-income households that need it the most by making it fully refundable without a minimum income threshold; expand the size of the CTC for newborns; allow for monthly payments; and increase the maximum credit amount. Making the entire credit available to the poorest families is the most effective way to utilize the credit in reducing child poverty.

Reform Low-Income Housing Tax Credit (LIHTC) and Expand Rental Assistance: Expand the Extremely Low-Income (ELI) basis boost to 50%, set aside 8% of tax credits, designate tribal and rural communities as Difficult to Develop Areas (DDAs), lower the bond financing threshold from 50% to 25%, restore the 12.5% LIHTC cap increase that expired in 2021, and enact a major rental assistance expansion.

Earned Income Tax Credit (EITC): Expand the EITC for workers not raising children by removing age restrictions on eligibility for the credit, increasing the maximum credit amount, and raising the income limit to qualify for the credit. The EITC for workers not raising children at home is extremely small and reaches a limited number of people due to its age restrictions and narrow income range for eligibility.

Health Care Premium Tax Credits: Extend the Affordable Care Act's (ACA) enhanced premium tax credit (APTC) in 2025. Since their inception in 2021, the APTC enhancements have helped millions access affordable healthcare through the ACA. In 2024, 19.7 million people qualified for the premium tax credits, which provided up-front financial assistance to help them afford individual or family health insurance plans offered in their state through the ACA marketplace.

Childcare tax credits: Expand the Child and Dependent Care Tax Credit (CDCTC). Childcare is a necessity for working families. Quality childcare costs rapidly outpace most expenses, including housing and higher education. CDCTC is a way to relieve working parents struggling to make ends meet by offsetting the rising cost of necessities and services, including childcare.

Charitable Tax: Reinstate the universal charitable deduction (aka non-itemizer) and reinstate and enhance the employee retention tax credit. Catholic Charities agencies nationwide continue to experience a growing demand for food, shelter, housing assistance, disaster relief, and other critical services. Sadly, the costs of providing services to struggling individuals and families continue to rise while private donations and the number of donors is declining.



Catholic social teaching emphasizes the common good, the preferential option for the poor, and the dignity of the human person. In this context, we believe that all policies must ensure the common good is served, and the lives and dignity of people are protected. Likewise, economic policies must be judged with respect to how low-income individuals and families are treated. **In the words of our Pope Leo XIV, the first U.S. born pontiff, “Indeed, before being a religious matter, compassion is a question of humanity!”** (General Audience, May 28, 2025).

Thank you for the opportunity to share our views and priorities. As always, we stand ready to work with you to achieve parity in tax policy, as well as the budget and appropriations processes. If you have any questions, please contact our Vice President for Government Relations, Luz Tavaréz at ltavarez@catholiccharitiesusa.org

Sincerely,

Kerry Alys Robinson

Kerry Alys Robinson
President & CEO