



## Tax Policy as a Potential Tool for Reducing Infant Mortality

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The death of an infant is a devastating outcome, which permanently alters the lives of their parents and loved ones. Infant mortality is a [key indicator](#) of population health. Unfortunately, infant mortality in Illinois is [high](#) compared to other states, and is inequitable. In Illinois, mortality among non-Hispanic Black infants is more than [two to three times](#) that among non-Hispanic White, non-Hispanic Asian, and Hispanic infants.

Given these inequities there have been efforts to reduce infant deaths in Illinois, such as the creation of the [Illinois Task Force on Infant and Maternal Mortality among African Americans](#). Still, more needs to be done.

Increased tax revenues and increased tax progressivity need to be further explored as policy solutions in Illinois. More specifically, the adoption of worldwide combined reporting and a state-level child tax credit, could help prevent infant deaths in our state.

### Tax funded programs are an important tool for addressing infant mortality.

[Poverty](#) and [income inequality](#) are associated with worse infant mortality rates. Taxes fund programs that are associated with both decreased poverty and decreased infant mortality. These include the Earned Income Tax Credit (a refundable tax credit for low-income workers), Medicaid, programs in which nurses make home visits to high-risk families, and the Supplemental Nutrition Program for Women, Infants, and Children.

Progressive taxes require wealthier individuals to pay higher tax rates than less wealthy individuals, while regressive taxes do the opposite. Sales taxes on necessities, such as food, are generally regressive, because spending on necessities consumes a higher proportion of financial resources for lower-income individuals than for higher-income individuals. In contrast, the Earned Income Tax Credit, makes tax systems overall more progressive. It does so by reducing the tax burden proportionally more on lower-income individuals and families compared to higher-income ones.

### Increasing tax revenues, and making the tax system more progressive, could help reduce infant mortality.

A 2023 [study](#) published by a journal of the American Medical Association investigated the association between state-level tax policy and state-level infant mortality. It analyzed 148,336 infant deaths in the United States from 1996 through 2019 and found that **increased tax revenue per capita was associated with a significantly decreased infant mortality rate**. The study also found that **increased tax progressivity was associated with a significantly decreased infant mortality rate**, primarily among states with annual tax revenues per capita of at least \$5550. The study accounted for other factors that could affect infant mortality, such as population demographics and sources of revenue other than taxes.

Study results varied by race, and racism against non-Hispanic Blacks may help explain this variation. These findings highlight the importance of policies, such as the Earned Income Tax Credit, that both decrease overall infant mortality and help promote racial equity.

## **Tax policy deserves greater attention as a means of improving health outcomes.**

Tax revenue is potentially important for numerous health-related funding priorities, and tax policy could potentially affect numerous health outcomes. Using tax revenue to reduce child poverty is estimated to [save money](#) in the long-term by increasing adult productivity and reducing crime and health care costs.

## **Existing policy solutions could increase tax revenue and progressivity, and thereby potentially reduce infant mortality.**

In terms of tax revenue, **Illinois could increase its corporate tax revenues by implementing a system of worldwide combined reporting.** With worldwide combined reporting, corporations report their total worldwide profit. States like Illinois then tax the share of that profit earned in their state. This system prevents corporations from shifting their profits to overseas tax havens to avoid paying taxes in the states where the profits were actually earned. This system has been partially implemented in at least 14 states and should be considered in the future by the Illinois General Assembly.

In terms of tax progressivity, Illinois has the [eighth most regressive](#) state and local tax system in the United States. As of January 2024, **Illinois also has no state-level child tax credit**, whereas [15 other states do](#), many of whom passed legislation within the last two years.

In February 2024, [House Bill 4917](#) and [Senate Bill 3329](#) were introduced in the Illinois General Assembly to create a state-level child tax credit. This legislation would provide low- and middle-income taxpayers \$300 as a tax credit for each child less than 18 years of age. The credit would be fully refundable, meaning that the lowest income taxpayers would not be excluded from receiving the credit. The credit would also be adjusted annually for inflation, so its value would not decrease over time.

**A child tax credit in Illinois is likely to have multiple positive impacts, including reducing poverty, promoting racial equity, boosting economic growth, and saving or creating jobs.** In addition, it would make the tax system in Illinois more [progressive](#), thereby potentially reducing infant mortality.

In summary, increased tax revenues, and increased tax progressivity (ie, higher taxes for wealthier individuals), could help prevent infant deaths. **The Illinois General Assembly should pass [House Bill 4917](#) and [Senate Bill 3329](#), and should consider adopting a system of worldwide combined reporting in the future.**