

**AMENDMENT TO THE SENATE AMENDMENT TO H.R. 1  
OFFERED BY MR. DAVIS OF ILLINOIS**

At the end of subchapter A of chapter 4 of subtitle A of title VII, add the following new section:

1 **SEC. 70406 PERMANENT EXTENSION OF EARNED**  
2 **INCOME CREDIT RULES FOR INDIVIDUALS**  
3 **WITHOUT QUALIFYING CHILDREN.**

4 **(a) DECREASE IN MINIMUM AGE FOR CREDIT.—**

5 (1) **IN GENERAL.**—Subclause (II) of section  
6 32(c)(1)(A)(ii) is amended by striking “age 25” and  
7 inserting “the applicable minimum age”.

8 (2) **APPLICABLE MINIMUM AGE.**—Paragraph  
9 (1) of section 32(c) is amended by adding at the end  
10 the following new subparagraph:

11 **“(F) APPLICABLE MINIMUM AGE.**—For  
12 purposes of this paragraph—

13 **“(i) IN GENERAL.**—The term ‘applica-  
14 ble minimum age’ means—

15 **“(I) except as otherwise provided**  
16 **in this clause, age 19,**

17 **“(II) in the case of a student (as**  
18 **defined in section 152(f)(2)), other**  
19 **than a qualified former foster youth**

1 or a qualified homeless youth, age 24,  
2 and

3 “(III) in the case of a qualified  
4 former foster youth or a qualified  
5 homeless youth, age 18.

6 “(ii) QUALIFIED FORMER FOSTER  
7 YOUTH.—For purposes of this subpara-  
8 graph, the term ‘qualified former foster  
9 youth’ means an individual who—

10 “(I) on or after the date that  
11 such individual attained age 14, was  
12 in foster care provided under the su-  
13 pervision or administration of an enti-  
14 ty administering (or eligible to admin-  
15 ister) a plan under part B or part E  
16 of title IV of the Social Security Act  
17 (without regard to whether Federal  
18 assistance was provided with respect  
19 to such child under such part E), and

20 “(II) provides (in such manner  
21 as the Secretary may provide) consent  
22 for entities which administer a plan  
23 under part B or part E of title IV of  
24 the Social Security Act to disclose to  
25 the Secretary information related to

1 the status of such individual as a  
2 qualified former foster youth.

3 “(iii) QUALIFIED HOMELESS  
4 YOUTH.—For purposes of this subpara-  
5 graph, the term ‘qualified homeless youth’  
6 means, with respect to any taxable year,  
7 an individual who certifies, in a manner as  
8 provided by the Secretary, that such indi-  
9 vidual is either an unaccompanied youth  
10 who is a homeless child or youth, or is un-  
11 accompanied, at risk of homelessness, and  
12 self-supporting.”.

13 (b) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—  
14 Subclause (II) of section 32(c)(1)(A)(ii) is amended by  
15 striking “but not attained age 65”.

16 (c) INCREASE IN CREDIT AND PHASEOUT PERCENT-  
17 AGES.—The table contained in paragraph (1) of section  
18 32(b) is amended by striking “7.65” each place it appears  
19 and inserting “15.3”.

20 (d) INCREASE IN EARNED INCOME AND PHASEOUT  
21 AMOUNTS.—The table contained in subparagraph (A) of  
22 section 32(b)(2) is amended—

23 (1) by striking “\$4,220” and inserting  
24 “\$9,820”, and

1           (2) by striking “\$5,280” and inserting  
2           “\$11,610”.

3           (e) INFLATION ADJUSTMENTS.—

4           (1) IN GENERAL.—Paragraph (1) of section  
5           32(j) is amended to read as follows:

6           “(1) IN GENERAL.—In the case of any taxable  
7           year beginning after—

8                   “(A) 2021, in the case of the dollar  
9                   amount in subsection (i)(1),

10                   “(B) 2026, in the case of the dollar  
11                   amounts in the third row of the table in sub-  
12                   section (b)(2)(A), and

13                   “(C) 2015, in any other case,  
14           each of the dollar amounts in subsections (b)(2) and  
15           (i)(1) shall be increased by an amount equal to the  
16           inflation amount.”.

17           (2) INFLATION AMOUNT.—Subsection (j) of sec-  
18           tion 32 is amended by adding at the end the fol-  
19           lowing new paragraph:

20           “(3) INFLATION AMOUNT.—For purposes of  
21           paragraph (1), the inflation amount with respect to  
22           any dollar amount for any taxable year is the  
23           amount equal to—

24                   “(A) such dollar amount, multiplied by

25                   “(B) the percentage (if any) by which—

1 “(i) the CPI (as defined in section  
2 1(f)(4)) for the calendar year preceding  
3 the year in which the taxable year begins,  
4 exceeds

5 “(ii) the CPI (as so defined) for—

6 “(I) in the case of amounts in  
7 the third row of the table in sub-  
8 section (b)(2)(A), 2025,

9 “(II) in the case of any other  
10 amount in subsection (b)(2)(A), 1995,

11 “(III) in the case of the \$5,000  
12 amount in subsection (b)(2)(B), 2008,  
13 and

14 “(IV) in the case of the \$10,000  
15 amount in subsection (i)(1), 2020.”.

16 (f) CONFORMING AMENDMENT.—Section 32 is  
17 amended by striking subsection (n).

18 (g) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2025.

21 **SEC. II APPLICATION OF EARNED INCOME CREDIT TO**  
22 **POSSESSIONS OF THE UNITED STATES.**

23 (a) PUERTO RICO.—Subparagraph (B) of section  
24 7530(a)(1) is amended by striking “in the case of calendar  
25 years 2021 through 2025,”.

1 (b) POSSESSIONS WITH MIRROR CODE TAX SYS-  
2 TEMS.—Subparagraph (B) of section 7530(b)(1) is  
3 amended by striking “in the case of calendar years 2021  
4 through 2025,”.

5 (c) AMERICAN SAMOA.—Subparagraph (B) of section  
6 7530(c)(1) is amended by striking “in the case of calendar  
7 years 2021 through 2025,”.

8 **SEC. II ELECTION TO USE PRIOR YEAR EARNED INCOME.**

9 (a) IN GENERAL.—Paragraph (2) of section 32(c) is  
10 amended by adding at the end the following new subpara-  
11 graph:

12 “(C) ELECTION TO USE PRIOR YEAR  
13 EARNED INCOME.—

14 “(i) IN GENERAL.—If the earned in-  
15 come of the taxpayer for any taxable year  
16 is less than the earned income of the tax-  
17 payer for the preceding taxable year, the  
18 credit allowed under subsection (a) may, at  
19 the election of the taxpayer, be determined  
20 by substituting—

21 “(I) such earned income for such  
22 preceding taxable year, for

23 “(II) such earned income for the  
24 taxable year for which such credit is  
25 being determined.

1           “(ii) APPLICATION TO JOINT RE-  
2           TURNS.—For purposes of clause (i), in the  
3           case of a joint return, the earned income  
4           of the taxpayer for the preceding taxable  
5           year shall be the sum of the earned income  
6           of each spouse for such taxable year.

7           “(iii) SPECIAL RULES.—

8                   “(I) ERRORS TREATED AS MATH-  
9                   EMATICAL ERRORS.—For purposes of  
10                  section 6213, an incorrect use on a re-  
11                  turn of earned income pursuant to  
12                  clause (i) shall be treated as a mathe-  
13                  matical or clerical error.

14                   “(II) NO EFFECT ON DETER-  
15                   MINATION OF GROSS INCOME, ETC.—  
16                  Except as otherwise provided in this  
17                  subparagraph, this title shall be ap-  
18                  plied without regard to any substi-  
19                  tution under clause (i).”.

20           (b) EFFECTIVE DATE.—The amendment made by  
21           subsection (a) shall apply to taxable years beginning after  
22           December 31, 2025.

