

**AMENDMENT TO**  
**RULES COMMITTEE PRINT 115-39**  
**OFFERED BY MS. DELAURO OF CONNECTICUT**

At the end, add the following:

1     **TITLE VI—CHILD TAX CREDIT**  
2                     **IMPROVEMENT ACT**

3     **SEC. 6001. SHORT TITLE.**

4             This title may be cited as the “Child Tax Credit Im-  
5     provement Act”.

6     **SEC. 6002. FINDINGS.**

7             Congress finds the following:

8                     (1) According to the Supplemental Poverty  
9     Measure of the Bureau of the Census, the Child tax  
10    credit and earned income tax credit lift more chil-  
11    dren out of poverty than any other Federal policy.  
12    According to research published by the Century  
13    Foundation, the child tax credit alone now lifts near-  
14    ly 1 in 8 children who would otherwise be poor out  
15    of poverty.

16                    (2) Despite the success of the child tax credit,  
17    economists have found that families with young chil-  
18    dren often receive the smallest child tax credits be-

1 cause they do not yet have enough income to receive  
2 the full benefit of the credit.

3 (3) Pediatricians and other child development  
4 experts have long talked about the critical impor-  
5 tance of the earliest years of life.

6 (4) Economists have found similar effects of the  
7 importance of income in the earliest years with re-  
8 turns to school achievement.

9 (5) Young children, including babies and tod-  
10 dlers, are among the poorest people in the country  
11 by age.

12 (6) Economists have found that large fluctua-  
13 tions in a family's income can be detrimental to the  
14 development of young children. Research on scarcity  
15 has found it is hard for parents to focus on children  
16 if they are worrying about having sufficient income  
17 to meet their family's needs.

18 (7) Indexing the value of the child tax credit  
19 would end the slow erosion of the child tax credit  
20 due to inflation.

21 **SEC. 6003. YOUNG CHILD TAX CREDIT.**

22 (a) SPECIAL RULE FOR YOUNG CHILDREN.—Section  
23 24 is amended by adding at the end the following:

24 “(h) YOUNG CHILD TAX CREDIT.—

1           “(1) IN GENERAL.—In the case of a young  
2           qualifying child, subsection (a)(1) shall be applied  
3           for the taxable year (after the application of sub-  
4           section (i)) by substituting ‘\$3,600’ for ‘\$1,600’.

5           “(2) YOUNG QUALIFYING CHILD.—For pur-  
6           poses of paragraph (1), the term ‘young qualifying  
7           child’ means a qualifying child who has not attained  
8           age 6 as of the close of such taxable year.

9           “(3) LIMITATION BASED ON ADJUSTED GROSS  
10          INCOME.—For purposes of applying subsection (b)  
11          with respect to a young qualifying child, paragraph  
12          (1) of subsection (b) shall be applied by substituting  
13          ‘\$180’ for ‘\$50’.

14          “(4) CREDIT REFUNDABLE.—The aggregate  
15          credits allowed to a taxpayer under subpart C shall  
16          be increased by the credit which would be allowed  
17          under this section without regard to this paragraph,  
18          subsection (d), and the limitation under section  
19          26(a). The amount of the credit allowed under this  
20          subsection shall not be treated as a credit allowed  
21          under this subpart and shall reduce the amount of  
22          credit otherwise allowable under subsection (a) with-  
23          out regard to section 26(a).

24          “(5) RECONCILIATION OF CREDIT AND AD-  
25          VANCE CREDIT.—

1           “(A) IN GENERAL.—The amount of the  
2           credit allowed under subsection (a) by reason of  
3           paragraph (1) for any taxable year shall be re-  
4           duced (but not below zero) by the aggregate  
5           amount of any advance payments of such credit  
6           under section 7527A for such taxable year.

7           “(B) EXCESS ADVANCE PAYMENTS.—If the  
8           aggregate amount of advance payments under  
9           section 7527A for the taxable year exceeds the  
10          amount of the credit allowed under subsection  
11          (a) by reason of paragraph (1) for such taxable  
12          year (determined without regard to subpara-  
13          graph (A)), the tax imposed by this chapter for  
14          such taxable year shall be increased by the  
15          amount of such excess.”.

16          (b) ADVANCE PAYMENT OF CREDIT.—Chapter 77 is  
17          amended by inserting after section 7527 the following new  
18          section:

19          **“SEC. 7527A. ADVANCE PAYMENT OF YOUNG CHILD TAX**  
20                                 **CREDIT.**

21          “(a) IN GENERAL.—As soon as practicable and not  
22          later than 1 year after the date of the enactment of this  
23          section, the Secretary shall establish a program for mak-  
24          ing advance payments of the credit allowed under section  
25          24 by reason of subsection (h) thereof on a monthly basis,

1 or as frequently as the Secretary determines to be admin-  
2 istratively feasible, to taxpayers allowed such credit (deter-  
3 mined without regard to section 24(h)(5)(A)).

4 “(b) LIMITATION.—The Secretary may make pay-  
5 ments under subsection (a) only to the extent that the  
6 total amount of such payments made to any taxpayer dur-  
7 ing the taxable year does not exceed the amount deter-  
8 mined under section 24(h) with respect to such taxpayer  
9 (determined without regard to subsections (b) and (f) of  
10 such section). Such program shall make reasonable efforts  
11 to apply the limitation of section 24(b) with respect to  
12 payments made under such program.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 6211(b)(4)(A) is amended by insert-  
15 ing “24(h),” after “24(d),”.

16 (2) Section 6402(m) is amended by inserting  
17 “or (h)” after “subsection (d)”.

18 (3) The table of sections for chapter 77 is  
19 amended by inserting after the item relating to sec-  
20 tion 7527 the following new item:

“Sec. 7527A. Advance payment of young child tax credit.”.

21 (4) Section 1324(b)(2) of title 31, United  
22 States Code, is amended by inserting “24(h),” be-  
23 fore “25A,”.

24 (d) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2 this section shall apply to taxable years beginning  
3 after December 31, 2017.

4           (2) ADVANCE PAYMENT PROGRAM.—The Sec-  
5 retary of the Treasury, or his designee, shall estab-  
6 lish the program described in section 7527A of the  
7 Internal Revenue Code of 1986 (as added by this  
8 section) not later than such date.

9 **SEC. 6004. MODIFICATIONS OF THE CHILD TAX CREDIT.**

10          (a) REFUNDABLE PORTION.—Clause (i) of section  
11 24(d)(1)(B) is amended to read as follows:

12                         “(i) 45 percent of the taxpayer’s  
13 earned income (within the meaning of sec-  
14 tion 32) which is taken into account in  
15 computing taxable income for the taxable  
16 year, or”.

17          (b) EFFECTIVE DATE.—The amendment made by  
18 subsection (a) shall apply to taxable years beginning after  
19 December 31, 2017.

20 **SEC. 6005. ADJUSTMENTS FOR INFLATION.**

21          (a) IN GENERAL.—Section 24, as amended by the  
22 preceding provisions of this Act, is amended by adding at  
23 the end the following new subsection:

24                         “(i) INFLATION ADJUSTMENTS.—

1           “(1) IN GENERAL.—In the case of any taxable  
2           year beginning in a calendar year after 2017, the  
3           \$1,600 amount contained in subsection (a)(1) and  
4           the \$3,600 amount contained in subsection (h)(1)  
5           shall be increased by an amount equal to—

6                       “(A) such dollar amount, multiplied by

7                       “(B) the cost-of-living adjustment deter-  
8                       mined under section 1(c)(2)(A) for the calendar  
9                       year in which the taxable year begins.

10           “(2) ROUNDING.—Any increase determined  
11           under paragraph (1) shall be rounded to the nearest  
12           multiple of \$50.”.

13           (b) EFFECTIVE DATE.—The amendment made by  
14           subsection (a) shall apply to taxable years beginning after  
15           December 31, 2017.

16   **SEC. 6006. CORPORATE RATE INCREASE TO ACHIEVE REV-**  
17                       **ENUE NEUTRALITY.**

18           (a) IN GENERAL.—The rate of tax specified in sec-  
19           tion 11(b)(1) of the Internal Revenue Code of 1986 (after  
20           the amendment made by section 3001(a)) shall be in-  
21           creased by such number of percentage points as is nec-  
22           essary to fully offset the aggregate reduction in Federal  
23           revenues which result from the amendments made by this  
24           title.

1 (b) EFFECTIVE DATE.—Subsection (a) shall apply as  
2 if such provision were an amendment made by section  
3 3001(a).

