

AMENDMENT TO RULES COMMITTEE PRINT 119–3

OFFERED BY Mr. Davis (IL) and Mr. Evans (PA)

At the end of part 2 of subtitle A of title XI, add the following new sections:

1 **SEC. 110117. PERMANENT EXTENSION OF EARNED INCOME**
2 **CREDIT RULES FOR INDIVIDUALS WITHOUT**
3 **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. 110118. 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. 110119 . 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.