

**AMENDMENT TO THE  
SENATE AMENDMENT TO H.R. 1  
OFFERED BY MRS. SYKES  
[H.R. 1, THE ONE BIG BEAUTIFUL BILL ACT]**

Add the following new sections to the bill :

1   **SEC. 110117. EXPANSION OF EARNED INCOME TAX CREDIT.**

2       (a) CREDIT PERCENTAGE.—The table contained in  
3 section 32(b)(1) is amended—

4           (1) by striking “34” and inserting “68”,

5           (2) by striking “40” and inserting “80”,

6           (3) by striking “45” and inserting “90”, and

7           (4) by striking “7.65” in the column with the

8 heading “The credit percentage is:” and inserting

9 “35”.

10       (b) PHASEOUT PERCENTAGE.—The table contained  
11 in section 32(b)(1) is amended—

12           (1) by striking “15.98” and inserting “7”,

13           (2) by striking “21.06” both places it appears  
14 and inserting “10”, and

15           (3) by striking “7.65” in the column with the

16 heading “The phaseout percentage is:” and inserting

17 “7”.



1 (c) EARNED INCOME AMOUNT.—The table contained  
2 in section 32(b)(2)(A) is amended—

3 (1) by striking “\$6,330” and inserting  
4 “\$19,000”,

5 (2) by striking “\$8,890” and inserting  
6 “\$27,000”, and

7 (3) by striking “\$4,220” and inserting  
8 “\$15,000”.

9 (d) PHASEOUT AMOUNT.—

10 (1) IN GENERAL.—The table contained in sec-  
11 tion 32(b)(2)(A) is amended—

12 (A) by striking “\$11,610” both places it  
13 appears and inserting “\$30,000”, and

14 (B) by striking “\$5,280” and inserting  
15 “\$15,000”.

16 (2) JOINT RETURNS.—Section 32(b)(2)(B) of  
17 such Code is amended by striking “determined  
18 under subparagraph (A) shall be increased by  
19 \$5,000” and inserting “twice the amount deter-  
20 mined under subparagraph (A)”.

21 (3) INFLATION ADJUSTMENT.—Section 32(j) is  
22 amended to read as follows:

23 “(j) INFLATION ADJUSTMENTS.—

24 “(1) EARNED INCOME AND PHASEOUT  
25 AMOUNTS.—



1           “(A) IN GENERAL.—In the case of any  
2 taxable year beginning after 2024, each of the  
3 dollar amounts in subsection (b)(2)(A) shall be  
4 increased by an amount equal to—

5                   “(i) such dollar mount, multiplied by

6                   “(ii) the GDP adjustment determined  
7 under subparagraph (B) for the calendar  
8 year in which the taxable year begins.

9           “(B) GDP ADJUSTMENT.—For purposes  
10 of this paragraph, the term ‘GDP adjustment’  
11 for any calendar year is the percentage (if any)  
12 by which—

13                   “(i) the per capita nominal gross do-  
14 mestic product for the preceding calendar  
15 year (as determined by the Secretary), ex-  
16 ceeds

17                   “(ii) the per capita nominal gross do-  
18 mestic product for calendar year 2023 (as  
19 determined by the Secretary).

20           “(C) ROUNDING.—If any dollar amount in  
21 subsection (b)(2)(A), after any increase under  
22 subparagraph (A), is not a multiple of \$10,  
23 such dollar amount shall be rounded to the  
24 nearest multiple of \$10.

25           “(2) EXCESSIVE INVESTMENT INCOME.—



1                   “(A) IN GENERAL.—In the case of any  
2                   taxable year beginning after 2021, the dollar  
3                   amount in subsection (i)(1) shall be increased  
4                   by an amount equal to—

5                               “(i) such dollar amount, multiplied by

6                               “(ii) the cost-of-living adjustment de-  
7                   termined under section 1(f)(3) for the cal-  
8                   endar year in which the taxable year be-  
9                   gins, determined by substituting ‘calendar  
10                  year 2020’ for ‘calendar year 2016’ in sub-  
11                  paragraph (A)(ii) thereof.

12                   “(B) ROUNDING.—If the dollar amount in  
13                  subsection (i)(1), after any increase under sub-  
14                  paragraph (A), is not a multiple of \$50, such  
15                  dollar amount shall be rounded to the next low-  
16                  est multiple of \$50.”.

17           (e) AGE LIMITATIONS.—Section 32(c)(1)(A)(ii)(II) is  
18   amended by striking “has attained age 25 but not attained  
19   age 65” and inserting “has attained age 18”.

20           (f) NOTIFICATION OF TAXPAYERS BY TREASURY OF  
21   POTENTIAL ELIGIBILITY FOR THE EARNED INCOME TAX  
22   CREDIT.—

23                   (1) IN GENERAL.—With       respect to taxable  
24                  years beginning in calendar years after 2023, the  
25                  Secretary shall establish a program to notify (wheth-



1 er by electronic means or otherwise) specified indi-  
2 viduals that such individuals may be eligible for the  
3 earned income tax credit.

4 (2) SPECIFIED INDIVIDUAL.—For purposes of  
5 this subsection, the term “specified individual”  
6 means any individual who—

7 (A) based on information available to the  
8 Secretary related to the taxable year or the pre-  
9 ceding taxable year, the Secretary determines is  
10 likely to be eligible for the earned income tax  
11 credit, and

12 (B) either—

13 (i) filed a return of tax for such tax-  
14 able year and did not claim the earned in-  
15 come tax credit, or

16 (ii) did not (as of such determination)  
17 file a return of tax for such taxable year.

18 (3) SECRETARY.—For purposes of this sub-  
19 section, the term “Secretary” means the Secretary  
20 of the Treasury or the Secretary’s delegate.

21 (g) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2023.



1   **SEC. 110118. PAYMENTS TO TAXPAYERS DETERMINED BY**  
2                           **TREATING STATE NON-REFUNDABLE EARNED**  
3                           **INCOME TAX CREDITS AS REFUNDABLE.**

4       (a) **IN GENERAL.**—The Secretary shall establish a  
5   program for making annual payments to eligible individ-  
6   uals equal to the State refundable earned income tax cred-  
7   it equivalency amount with respect to taxable years begin-  
8   ning in calendar years after 2023.

9       (b) **ELIGIBLE INDIVIDUAL.**—For purposes of this  
10   section—

11           (1) **IN GENERAL.**—The term “eligible indi-  
12   vidual” means any individual who is eligible for, and  
13   claims, a non-refundable earned income tax credit  
14   for a taxable year beginning after December 31,  
15   2023, under the income tax laws of an eligible State.

16           (2) **ELIGIBLE STATE.**—The term “eligible  
17   State” means any State if—

18               (A) the Secretary determines that such  
19               States has in effect, as of the date of the enact-  
20               ment of this Act, a non-refundable earned in-  
21               come tax credit, and

22               (B) such State enters into an agreement  
23               with the Secretary to provide the Secretary  
24               such information as the Secretary may require  
25               to administer this section.



1           (3) NON-REFUNDABLE EARNED INCOME TAX

2           CREDIT.—

3                   (A) IN GENERAL.—The term “non-refund-  
4           able earned income tax credit” means, with re-  
5           spect to any State, a credit against the income  
6           tax imposed by such State which the Secretary  
7           has determined is based on the earned income  
8           of the taxpayer and which is limited to the tax  
9           liability of such taxpayer.

10                   (B) TREATMENT OF CERTAIN CREDIT  
11           MODIFICATIONS.—A credit shall not be treated  
12           as a non-refundable earned income tax credit  
13           for any taxable year if the Secretary determines  
14           that such credit as in effect for such taxable  
15           year has been modified (relative to such credit  
16           as in effect on the date of the enactment of this  
17           Act) in manner which suggests that a signifi-  
18           cant purpose of such modification was to in-  
19           crease the amount of payments made under this  
20           section.

21                   (C) TREATMENT OF CREDITS SCHEDULED  
22           TO TERMINATE.—A credit shall not be treated  
23           as non-refundable earned income tax credit for  
24           any taxable year if such credit was not sched-  
25           uled to be in effect for such taxable year under



1 the income tax laws of the State as in effect on  
2 the date of the enactment of this Act.

3 (c) STATE REFUNDABLE EARNED INCOME TAX  
4 CREDIT EQUIVALENCY AMOUNT.—For purposes of this  
5 section, the term “State refundable earned income tax  
6 credit equivalency amount” means, with respect to any in-  
7 dividual for any taxable year, the amount determined by  
8 the Secretary as being the excess (if any) of—

9 (1) the amount of the non-refundable earned in-  
10 come tax credit which would have been allowed to  
11 such individual for such taxable year if such credit  
12 were not limited based on the tax liability of the tax-  
13 payer, over

14 (2) the amount by which such individual’s State  
15 income tax liability would increase if such credit  
16 were not allowed (determined after taking into ac-  
17 count all other income tax credits other than income  
18 tax credits which constitute credits for the payment  
19 of tax).

20 (d) PAYMENTS TREATED IN SAME MANNER AS RE-  
21 FUNDABLE INCOME TAX CREDITS.—Except as otherwise  
22 provided by the Secretary, the program established under  
23 subsection (a) shall effectuate the payments described  
24 therein by deeming the amount of such payment as a pay-  
25 ment of Federal income tax for purposes of the Internal





1 Revenue Code of 1986. Any overpayment of tax attrib-  
2 utable to such deemed payment shall be refunded by the  
3 Secretary as soon as practicable. For purposes of section  
4 1324 of title 31, United States Code, any such refund  
5 shall be treated in the same manner as a refund due from  
6 a credit provision referred to in subsection (b)(2) of such  
7 section.

8 (e) SECRETARY.—For purposes of this section, the  
9 term “Secretary” means the Secretary of the Treasury or  
10 the Secretary’s delegate.

11 **SEC. 110119. ESTABLISHMENT OF REFUNDABLE CHILD TAX**  
12 **CREDIT WITH MONTHLY ADVANCE PAYMENT.**

13 (a) IN GENERAL.—Subpart A of part IV of sub-  
14 chapter A of chapter 1 is amended by inserting after sec-  
15 tion 24 the following new sections:

16 **“SEC. 24A. MONTHLY CHILD TAX CREDIT.**

17 **“(a) ALLOWANCE OF CREDIT.—**There shall be al-  
18 lowed as a credit against the tax imposed by this chapter  
19 for the taxable year the sum of the monthly specified child  
20 allowances determined with respect to the taxpayer under  
21 subsection (b) for each calendar month during such tax-  
22 able year.

23 **“(b) MONTHLY SPECIFIED CHILD ALLOWANCE.—**

24 **“(1) IN GENERAL.—**For purposes of this sec-  
25 tion, the term ‘monthly specified child allowance’



1 means, with respect to any taxpayer for any cal-  
2 endar month, the sum of—

3 “(A) \$300, with respect to each specified  
4 child of such taxpayer who will (as of the close  
5 of such month) have attained age 6, plus

6 “(B) \$350, with respect to each specified  
7 child of such taxpayer who will not (as of the  
8 close of such month) have attained age 6.

9 “(2) LIMITATIONS BASED ON MODIFIED AD-  
10 JUSTED GROSS INCOME.—

11 “(A) INITIAL REDUCTION.—The monthly  
12 specified child allowance otherwise determined  
13 under paragraph (1) with respect to any tax-  
14 payer for any calendar month shall be reduced  
15 (but not below zero) by  $\frac{1}{12}$  of 5 percent of the  
16 excess (if any) of the taxpayer’s modified ad-  
17 justed gross income for the applicable taxable  
18 year over the initial threshold amount in effect  
19 for such applicable taxable year.

20 “(B) LIMITATION ON INITIAL REDUC-  
21 TION.—In the case of any calendar month be-  
22 ginning before January 1, 2026, the amount of  
23 the reduction under subparagraph (A) shall not  
24 exceed the lesser of—

25 “(i) the excess (if any) of—



1                   “(I) the monthly specified child  
2                   allowance with respect to the taxpayer  
3                   for such calendar month (determined  
4                   without regard to this paragraph),  
5                   over

6                   “(II) the amount which would be  
7                   determined under subclause (I) if the  
8                   dollar amounts in effect under sub-  
9                   paragraphs (A) and (B) of paragraph  
10                  (1) were each equal to \$166.67, or

11                  “(ii)  $\frac{1}{12}$  of 5 percent of the excess of  
12                  the secondary threshold amount over the  
13                  initial threshold amount.

14                  “(C) SECONDARY REDUCTION.—In the  
15                  case of any calendar month beginning before  
16                  January 1, 2026, the monthly specified child al-  
17                  lowance otherwise determined under paragraph  
18                  (1) with respect to any taxpayer for such cal-  
19                  endar month (determined after the application  
20                  of subparagraphs (A) and (B)) shall be reduced  
21                  (but not below zero) by  $\frac{1}{12}$  of 5 percent of the  
22                  excess (if any) of the taxpayer’s modified ad-  
23                  justed gross income for the applicable taxable  
24                  year over the secondary threshold amount.



1                   “(D) DEFINITIONS RELATED TO LIMITA-  
2                   TIONS BASED ON MODIFIED ADJUSTED GROSS  
3                   INCOME.—For purposes of this paragraph—

4                   “(i) INITIAL THRESHOLD AMOUNT.—  
5                   The term ‘initial threshold amount’  
6                   means—

7                               “(I) \$150,000, in the case of a  
8                               joint return or surviving spouse (as  
9                               defined in section 2(a)),

10                              “(II)  $\frac{1}{2}$  the dollar amount in ef-  
11                              fect under subclause (I), in the case of  
12                              a married individual filing a separate  
13                              return, and

14                              “(III) \$112,500, in any other  
15                              case.

16                   “(ii)       SECONDARY       THRESHOLD  
17                   AMOUNT.—The term ‘secondary threshold  
18                   amount’ means—

19                              “(I) \$400,000, in the case of a  
20                              joint return or surviving spouse (as  
21                              defined in section 2(a)),

22                              “(II) \$300,000, in the case of a  
23                              head of household (as defined in sec-  
24                              tion 2(b)), and



1 “(III) \$200,000, in any other  
2 case.

3 “(iii) APPLICABLE TAXABLE YEAR.—

4 The term ‘applicable taxable year’ means,  
5 with respect to any taxable year for which  
6 the credit under this section is deter-  
7 mined—

8 “(I) such taxable year, or

9 “(II) if the taxpayer elects the  
10 application of this subclause (at such  
11 time and in such form and manner as  
12 the Secretary may provide), the pre-  
13 ceding taxable year or the second pre-  
14 ceding taxable year (as specified in  
15 such election).

16 “(iv) MODIFIED ADJUSTED GROSS IN-

17 COME.—The term ‘modified adjusted gross  
18 income’ means adjusted gross income in-  
19 creased by any amount excluded from  
20 gross income under section 911, 931, or  
21 933.

22 “(3) INFLATION ADJUSTMENTS.—

23 “(A) MONTHLY SPECIFIED CHILD ALLOW-

24 ANCE.—In the case of any month beginning  
25 after December 31, 2023, each dollar amount



1 in paragraph (1) shall be increased by an  
2 amount equal to—

3 “(i) such dollar amount, multiplied  
4 by—

5 “(ii) the percentage (if any) by  
6 which—

7 “(I) the CPI (as defined in sec-  
8 tion 1(f)(4)) for the calendar year  
9 preceding the calendar year in which  
10 such month begins, exceeds

11 “(II) the CPI (as so defined) for  
12 calendar year 2020.

13 “(B) INITIAL THRESHOLD AMOUNT.—In  
14 the case of any taxable year beginning after De-  
15 cember 31, 2023, the dollar amounts in sub-  
16 clauses (I) and (III) of paragraph (2)(D)(i)  
17 shall each be increased by an amount equal  
18 to—

19 “(i) such dollar amount, multiplied by

20 “(ii) the percentage (if any) which  
21 would be determined under subparagraph  
22 (A)(ii) if subclause (II) thereof were ap-  
23 plied by substituting ‘2022’ for ‘2020’.

24 “(C) ROUNDING.—



1                   “(i) MONTHLY SPECIFIED CHILD AL-  
2                   LOWANCE.—Any increase under subpara-  
3                   graph (A) which is not a multiple of \$10  
4                   shall be rounded to the nearest multiple of  
5                   \$10.

6                   “(ii) INITIAL THRESHOLD AMOUNT.—  
7                   Any increase under subparagraph (B)  
8                   which is not a multiple of \$5,000 shall be  
9                   rounded to the nearest multiple of \$5,000.

10           “(c) SPECIFIED CHILD.—For purposes of this sec-  
11   tion—

12                   “(1) IN GENERAL.—The term ‘specified child’  
13           means, with respect to any taxpayer for any cal-  
14           endar month, an individual—

15                   “(A) who has the same principal place of  
16           abode as the taxpayer for more than one-half of  
17           such month,

18                   “(B) who is younger than the taxpayer and  
19           will not, as of the close of such month, have at-  
20           tained age 18,

21                   “(C) who receives care from the taxpayer  
22           during such month that is not compensated,

23                   “(D) who is not the spouse of the taxpayer  
24           at any time during such month, and

25                   “(E) who either—



1                   “(i) is a citizen, national, or resident  
2                   of the United States, or

3                   “(ii) if the taxpayer is a citizen or na-  
4                   tional of the United States, such individual  
5                   is described in section 152(f)(1)(B) with  
6                   respect to such taxpayer.

7                   “(2) CERTAIN INDIVIDUALS INELIGIBLE.—In  
8                   the case of an individual who is a specified child  
9                   with respect to another taxpayer for any calendar  
10                  month, such individual shall be treated for such cal-  
11                  endar month as having no specified children.

12                  “(3) CARE FROM THE TAXPAYER.—

13                  “(A) IN GENERAL.—Except as otherwise  
14                  provided by the Secretary, whether any indi-  
15                  vidual receives care from the taxpayer (within  
16                  the meaning of paragraph (1)(C)) shall be de-  
17                  termined on the basis of facts and cir-  
18                  cumstances with respect to the following fac-  
19                  tors:

20                         “(i) The supervision provided by the  
21                         taxpayer regarding the daily activities and  
22                         needs of the individual.

23                         “(ii) The maintenance by the taxpayer  
24                         of a secure environment at which the indi-  
25                         vidual resides.





1                   “(iii) The provision or arrangement by  
2                   the taxpayer of, and transportation by the  
3                   taxpayer to, medical care at regular inter-  
4                   vals and as required for the individual.

5                   “(iv) The involvement by the taxpayer  
6                   in, and financial and other support by the  
7                   taxpayer for, educational or similar activi-  
8                   ties of the individual.

9                   “(v) Any other factor that the Sec-  
10                  retary determines to be appropriate to de-  
11                  termine whether the individual receives  
12                  care from the taxpayer.

13                  “(B) DETERMINATION OF WHETHER CARE  
14                  IS COMPENSATED.—For purposes of deter-  
15                  mining if care is compensated within the mean-  
16                  ing of paragraph (1)(C), compensation from the  
17                  Federal Government, a State or local govern-  
18                  ment, a Tribal government, or any possession of  
19                  the United States shall not be taken into ac-  
20                  count.

21                  “(4) APPLICATION OF TIE-BREAKER RULES.—

22                  “(A) IN GENERAL.—Except as provided in  
23                  subparagraph (D), if any individual would (but  
24                  for this paragraph) be a specified child of 2 or  
25                  more taxpayers for any month, such individual



1 shall be treated as the specified child only of  
2 the taxpayer who is—

3 “(i) the parent of the individual (or, if  
4 such individual would (but for this para-  
5 graph) be a specified child of 2 or more  
6 parents of the individual for such month,  
7 the parent of the individual determined  
8 under subparagraph (B)),

9 “(ii) if the individual is not a specified  
10 child of any parent of the individual (deter-  
11 mined without regard to this paragraph),  
12 the specified relative of the individual with  
13 the highest adjusted gross income for the  
14 taxable year which includes such month, or

15 “(iii) if the individual is neither a  
16 specified child of any parent of the indi-  
17 vidual nor a specified child of any specified  
18 relative of the individual (in both cases de-  
19 termined without regard to this para-  
20 graph), the taxpayer with the highest ad-  
21 justed gross income for the taxable year  
22 which includes such month.

23 “(B) TIE-BREAKER AMONG PARENTS.—If  
24 any individual would (but for this paragraph)  
25 be the specified child of 2 or more parents of



1 the individual for any month, such child shall  
2 be treated only as the specified child of—

3 “(i) the parent with whom the child  
4 resided for the longest period of time dur-  
5 ing such month, or

6 “(ii) if the child resides with both par-  
7 ents for the same amount of time during  
8 such month, the parent with the highest  
9 adjusted gross income for the taxable year  
10 which includes such month.

11 “(C) SPECIFIED RELATIVE.—For purposes  
12 of this paragraph, the term ‘specified relative’  
13 means an individual who is—

14 “(i) an ancestor of a parent of the  
15 specified child,

16 “(ii) a brother or sister of a parent of  
17 the specified child, or

18 “(iii) a brother, sister, stepbrother, or  
19 stepsister of the specified child.

20 “(D) CERTAIN PARENTS OR SPECIFIED  
21 RELATIVES NOT TAKEN INTO ACCOUNT.—This  
22 paragraph shall be applied without regard to  
23 any parent or specified relative of an individual  
24 for any month if—

| Age Group | Percentage of Respondents |
|-----------|---------------------------|
| 18-24     | 15%                       |
| 25-34     | 85%                       |
| 35-44     | 75%                       |
| 45-54     | 65%                       |
| 55-64     | 55%                       |
| 65+       | 45%                       |

1 “(i) such parent or specified relative  
2 elects to have such individual not be treat-  
3 ed as a specified child of such parent or  
4 specified relative for such month,

“(ii) in the case of a parent of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which includes such month is higher than the highest adjusted gross income of any parent of the individual for any taxable year which includes such month (determined without regard to any parent with respect to whom such individual is not a specified child, determined without regard to subparagraphs (A) and (B) and after application of this subparagraph), and

“(iii) in the case of a specified relative of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which



1 includes such month is higher than the  
2 highest adjusted gross income of any par-  
3 ent and any specified relative of the indi-  
4 vidual for any taxable year which includes  
5 such month (determined without regard to  
6 any parent and any specified relative with  
7 respect to whom such individual is not a  
8 specified child, determined without regard  
9 to subparagraphs (A) and (B) and after  
10 application of this subparagraph).

11 “(E) TREATMENT OF JOINT RETURNS.—

12 For purposes of this paragraph, with respect to  
13 any month, the adjusted gross income of each  
14 person who files a joint return for the taxable  
15 year which includes such month is the total ad-  
16 justed gross income shown on the joint return  
17 for the taxable year.

18 “(F) PARENT.—Except as otherwise pro-  
19 vided by the Secretary, the term ‘parent’ shall  
20 have the same meaning as when used in section  
21 152(c)(4).

22 “(5) TREATMENT OF TEMPORARY ABSENCES.—

23 Except as provided in regulations or other guidance  
24 issued by the Secretary, for purposes of this sub-  
25 section—



1           “(A) IN GENERAL.—In the case of any in-  
2           dividual’s temporary absence from such individ-  
3           ual’s principal place of abode, each day com-  
4           posing the temporary absence shall—

5                   “(i) be treated as a day at such indi-  
6                   vidual’s principal place of abode,

7                   “(ii) be treated as satisfying the care  
8                   requirement described in paragraph (1)(C)  
9                   for each day described in clause (i), and

10                   “(iii) not be treated as a day at any  
11                   other location.

12           “(B) TEMPORARY ABSENCE.—For pur-  
13           poses of subparagraph (A), an absence shall be  
14           treated as temporary if—

15                   “(i) the individual would have resided  
16                   at the place of abode but for the absence,  
17                   and

18                   “(ii) under the facts and cir-  
19                   cumstances, it is reasonable to assume that  
20                   the individual will return to reside at the  
21                   place of abode.

22           “(6) SPECIAL RULE FOR DIVORCED PARENTS,  
23           ETC.—Rules similar to the rules section 152(e) shall  
24           apply for purposes of this subsection.



1           “(7) ELIGIBILITY DETERMINED ON BASIS OF  
2       PRESUMPTIVE ELIGIBILITY.—

3           “(A) IN GENERAL.—If a period of pre-  
4       sumptive eligibility is established under section  
5       7527B(c) for any individual with respect to any  
6       taxpayer—

7           “(i) such individual shall be treated as  
8       the specified child of such taxpayer for any  
9       month in such period of presumptive eligi-  
10      bility, and

11          “(ii) such individual shall not be  
12      treated as the specified child of any other  
13      taxpayer with respect to whom a period of  
14      presumptive eligibility has not been estab-  
15      lished for any such month.

16          “(B) ABILITY OF CREDIT CLAIMANTS TO  
17      ESTABLISH PRESUMPTIVE ELIGIBILITY.—Noth-  
18      ing in section 7527B(c) shall be interpreted to  
19      preclude a taxpayer from establishing a period  
20      of presumptive eligibility (including any such  
21      period described in section 7527B(c)(2)(D))  
22      with respect to any specified child for purposes  
23      of this section solely because such taxpayer af-  
24      firmatively elects not to receive monthly ad-  
25      vance child payments under section 7527B.



1       “(d) CREDIT REFUNDABLE.—If the taxpayer (in the  
2 case of a joint return, either spouse) has a principal place  
3 of abode (determined as provided in section 32) in the  
4 United States or Puerto Rico for more than one-half of  
5 any calendar month during the taxable year, so much of  
6 the credit otherwise allowed under subsection (a) as is at-  
7 tributable to monthly specified child allowances with re-  
8 spect to any such calendar month shall be allowed under  
9 subpart C (and not allowed under this subpart).

10       “(e) IDENTIFICATION REQUIREMENTS.—

11               “(1) QUALIFYING CHILD IDENTIFICATION RE-

12       QUIREMENT.—No credit shall be allowed under this  
13 section to a taxpayer with respect to any qualifying  
14 child unless the taxpayer includes the name and tax-  
15 payer identification number of such qualifying child  
16 on the return of tax for the taxable year and such  
17 taxpayer identification number was issued on or be-  
18 fore the due date for filing such return.

19               “(2) TAXPAYER IDENTIFICATION REQUIRE-

20       MENT.—No credit shall be allowed under this section  
21 if the taxpayer identification number of the taxpayer  
22 was issued after the due date for filing the return  
23 for the taxable year.





1       “(f) RESTRICTIONS ON TAXPAYERS WHO IMPROP-  
2   ERLY    CLAIMED    CREDIT    OR   IMPROPERLY    RECEIVED  
3   MONTHLY ADVANCE CHILD PAYMENT.—

4               “(1) TAXPAYERS MAKING PRIOR FRAUDULENT  
5   OR RECKLESS CLAIMS.—

6               “(A) IN GENERAL.—No credit shall be al-  
7       lowed under this section for any taxable year  
8       (and no payment shall be made under section  
9       7527B for any month) in the disallowance pe-  
10      riod.

11              “(B) DISALLOWANCE PERIOD.—For pur-  
12      poses of subparagraph (A), the disallowance pe-  
13      riod is—

14              “(i) the period of 10 taxable years  
15       after the most recent taxable year for  
16       which there was a final determination that  
17       the taxpayer’s claim of credit under this  
18       section or section 24 (or payment received  
19       under section 7527A or 7527B) was due to  
20       fraud,

21              “(ii) the period of 2 taxable years  
22       after the most recent taxable year for  
23       which there was a final determination that  
24       the taxpayer’s claim of credit under this  
25       section or section 24 (or payment received



1 under section 7527A or 7527B) was due to  
2 reckless or intentional disregard of rules  
3 and regulations (but not due to fraud),  
4 and

5 “(iii) in addition to any period deter-  
6 mined under clause (i) or (ii) (as the case  
7 may be), the period beginning on the date  
8 of the final determination described in  
9 such clause and ending with the beginning  
10 of the period described in such clause.

11 “(2) TAXPAYERS MAKING IMPROPER PRIOR  
12 CLAIMS.—In the case of a taxpayer who is denied  
13 credit under this section or section 24 for any tax-  
14 able year as a result of the deficiency procedures  
15 under subchapter B of chapter 63, no credit shall be  
16 allowed under this section for any subsequent tax-  
17 able year (and no payment shall be made under sec-  
18 tion 7527B for any subsequent month) unless the  
19 taxpayer provides such information as the Secretary  
20 may require to demonstrate eligibility for such cred-  
21 it.

22 “(3) COORDINATION WITH POSSESSIONS OF  
23 THE UNITED STATES.—For purposes of this sub-  
24 section, a taxpayer’s claim of credit under this sec-  
25 tion or section 24 (or payment received under sec-



1       tion 7527A or section 7527B) includes a claim of  
2       credit under this section or section 24 of the income  
3       tax law of any jurisdiction other than the United  
4       States (or similar payment received under section  
5       7527A or section 7527B of such income tax law),  
6       and a claim made or a payment received from Amer-  
7       ican Samoa pursuant to a plan described in sub-  
8       section (i)(3)(B) or section 24(k)(3)(B).

9       “(g) RECONCILIATION OF CREDIT AND MONTHLY  
10    ADVANCE CHILD PAYMENTS.—

11       “(1) IN GENERAL.—The amount otherwise de-  
12       termined under subsection (a) with respect to any  
13       taxpayer for any taxable year shall be reduced (but  
14       not below zero) by the aggregate amount of pay-  
15       ments made under section 7527B to such taxpayer  
16       for one or more calendar months in such taxable  
17       year. Any failure to so reduce the credit shall be  
18       treated as arising out of a mathematical or clerical  
19       error and assessed according to section 6213(b)(1).

20       “(2) RECAPTURE OF EXCESS ADVANCE PAY-  
21       MENTS IN CERTAIN CIRCUMSTANCES.—In the case  
22       of a taxpayer described in paragraph (3) for any  
23       taxable year, the tax imposed by this chapter for  
24       such taxable year shall be increased by the excess (if  
25       any) of—



1           “(A) the aggregate amount of payments  
2           made to the taxpayer under section 7527B for  
3           one or more calendar months in such taxable  
4           year, over

5           “(B) the amount determined under sub-  
6           section (a) with respect to the taxpayer for such  
7           taxable year (without regard to paragraph (1)  
8           of this subsection).

9           “(3) TAXPAYERS SUBJECT TO RECAPTURE.—

10           “(A) FRAUD OR RECKLESS OR INTEN-  
11           TIONAL DISREGARD OF RULES AND REGULA-  
12           TIONS.—A taxpayer is described in this para-  
13           graph with respect to any taxable year if the  
14           Secretary determines that the amount described  
15           in paragraph (2)(A) with respect to the tax-  
16           payer for such taxable year was determined on  
17           the basis of fraud or a reckless or intentional  
18           disregard of rules and regulations.

19           “(B) UNDERSTATEMENT OF INCOME;  
20           CHANGES IN FILING STATUS.—If the amount  
21           described in paragraph (2)(A) with respect to  
22           the taxpayer for the taxable year was deter-  
23           mined on the basis of an amount of the tax-  
24           payer’s modified adjusted gross income which  
25           was less than the taxpayer’s modified adjusted



1 gross income for the applicable taxable year (as  
2 defined in subsection (b))—

3 “(i) such taxpayer shall be treated as  
4 described in this paragraph, and

5 “(ii) the increase determined under  
6 paragraph (2) by reason of this subpara-  
7 graph shall not exceed the excess of—

8 “(I) the amount described in  
9 paragraph (2)(A), over

10 “(II) the amount which would be  
11 so described if the payments described  
12 therein had been determined on the  
13 basis of the taxpayer’s modified ad-  
14 justed gross income for the applicable  
15 taxable year (as defined in subsection  
16 (b)).

17 A rule similar to the rule of the preceding  
18 sentence shall apply if the amount de-  
19 scribed in paragraph (2)(A) with respect to  
20 the taxpayer for the taxable year was de-  
21 termined on the basis of a filing status of  
22 the taxpayer which differs from the tax-  
23 payer’s filing status for the applicable tax-  
24 able year (as so defined).



1                   “(C) PAYMENTS MADE OUTSIDE OF PE-  
2                   RIOD OF PRESUMPTIVE ELIGIBILITY.—If any  
3                   payment described in paragraph (2)(A) with re-  
4                   spect to the taxpayer for the taxable year was  
5                   made with respect to a child for a month which  
6                   was not part of a period of presumptive eligi-  
7                   bility established under section 7527B(c) for  
8                   such child with respect to such taxpayer—

9                   “(i) such taxpayer shall be treated as  
10                  described in this paragraph, and

11                  “(ii) the increase determined under  
12                  paragraph (2) by reason of this subpara-  
13                  graph shall not exceed the portion of such  
14                  payment so made.

15                  “(D) CERTAIN PAYMENTS MADE AFTER  
16                  NOTICE FROM SECRETARY.—If the Secretary  
17                  notifies a taxpayer under section 7527B(j)(2)  
18                  that such taxpayer is subject to recapture with  
19                  respect to any payments—

20                  “(i) such taxpayer shall be treated as  
21                  described in this paragraph, and

22                  “(ii) the increase determined under  
23                  paragraph (2) by reason of this subpara-  
24                  graph shall not exceed the aggregate  
25                  amount of such payments.



1                   “(E) TAXPAYERS MOVING TO ANOTHER  
2 JURISDICTION.—To minimize the amount of ad-  
3 vance payments made under section 7527B to  
4 ineligible individuals, the Secretary shall issue  
5 regulations or other guidance for purposes of  
6 this paragraph which apply with respect to tax-  
7 payers who are described in section  
8 7527B(b)(4) with respect to the reference  
9 month but are not so described with respect to  
10 one or more months during the taxable year for  
11 which advance payments under section 7527B  
12 are made.

13                   “(F) OTHER CIRCUMSTANCES TO PREVENT  
14 ABUSE.—A taxpayer is described in this para-  
15 graph with respect to any taxable year pursuant  
16 to regulations or other guidance of the Sec-  
17 retary describing other recapture circumstances  
18 to facilitate the administration and enforcement  
19 by the Secretary of section 7527B to minimize  
20 the amount of advance payments made under  
21 section 7527B to ineligible individuals and to  
22 prevent abuse.

23                   “(4) JOINT RETURNS.—Except as otherwise  
24 provided by the Secretary, in the case of an advance  
25 payment made under section 7527B with respect to



1 a joint return, half of such payment shall be treated  
2 as having been made to each individual filing such  
3 return.

4 “(5) COORDINATION WITH POSSESSIONS OF  
5 THE UNITED STATES.—For purposes of this sub-  
6 section, payments made under section 7527B include  
7 payments made by any jurisdiction other than the  
8 United States under section 7527B of the income  
9 tax law of such jurisdiction, and advance payments  
10 made by American Samoa pursuant to a plan de-  
11 scribed in subsection (h)(3)(B). Any increase in tax  
12 imposed on a taxpayer by reason of paragraph (2)  
13 of the income tax law of a jurisdiction other than  
14 the United States shall be considered to reduce the  
15 aggregate amount of payments made to such tax-  
16 payer by such jurisdiction. In carrying out this sec-  
17 tion, the Secretary shall coordinate with each posses-  
18 sion of the United States to prevent any application  
19 of this paragraph that is inconsistent with the pur-  
20 poses of this subsection.

21 “(h) APPLICATION OF CREDIT IN POSSESSIONS.—

22 “(1) MIRROR CODE POSSESSIONS.—

23 “(A) IN GENERAL.—The Secretary shall  
24 pay to each possession of the United States  
25 with a mirror code tax system amounts equal to





1 the loss (if any) to that possession by reason of  
2 the application of this section (determined with-  
3 out regard to this subsection) with respect to  
4 taxable years beginning in calendar years after  
5 2023. Such amounts shall be determined by the  
6 Secretary based on information provided by the  
7 government of the respective possession.

8 “(B) COORDINATION WITH CREDIT AL-  
9 LOWED AGAINST UNITED STATES INCOME  
10 TAXES.—No credit shall be allowed under this  
11 section for any taxable year to any individual to  
12 whom a credit is allowable against taxes im-  
13 posed by a possession of the United States with  
14 a mirror code tax system by reason of the appli-  
15 cation of this section in such possession for  
16 such taxable year.

17 “(C) MIRROR CODE TAX SYSTEM.—For  
18 purposes of this paragraph, the term ‘mirror  
19 code tax system’ means, with respect to any  
20 possession of the United States, the income tax  
21 system of such possession if the income tax li-  
22 ability of the residents of such possession under  
23 such system is determined by reference to the  
24 income tax laws of the United States as if such  
25 possession were the United States.



1           “(2) CROSS REFERENCES RELATED TO APPLI-  
2           CATION OF CREDIT TO RESIDENTS OF PUERTO  
3           RICO.—

4                   “(A) For application of refundable credit  
5           to residents of Puerto Rico, see subsection (d).

6                   “(B) For application of advance payment  
7           to residents of Puerto Rico, see section  
8           7527B(b)(4).

9           “(3) AMERICAN SAMOA.—

10                   “(A) IN GENERAL.—The Secretary shall  
11           pay to American Samoa amounts estimated by  
12           the Secretary as being equal to the aggregate  
13           benefits that would have been provided to resi-  
14           dents of American Samoa by reason of the ap-  
15           plication of this section for taxable years begin-  
16           ning in calendar years after 2023 if the provi-  
17           sions of this section had been in effect in Amer-  
18           ican Samoa (applied as if American Samoa  
19           were the United States and without regard to  
20           the application of this section to residents of  
21           Puerto Rico under subsection (d)).

22                   “(B) DISTRIBUTION REQUIREMENT.—Sub-  
23           paragraph (A) shall not apply unless American  
24           Samoa has a plan, which has been approved by  
25           the Secretary, under which American Samoa



1 will promptly distribute such payments to its  
2 residents.

3 “(C) COORDINATION WITH CREDIT AL-  
4 LOWED AGAINST UNITED STATES INCOME  
5 TAXES.—

6 “(i) IN GENERAL.—In the case of a  
7 taxable year with respect to which a plan  
8 is approved under subparagraph (B), this  
9 section (other than this subsection) shall  
10 not apply to any individual eligible for a  
11 distribution under such plan.

12 “(ii) APPLICATION OF SECTION IN  
13 EVENT OF ABSENCE OF APPROVED  
14 PLAN.—In the case of a taxable year with  
15 respect to which a plan is not approved  
16 under subparagraph (B), subsection (d)  
17 shall be applied by substituting ‘, Puerto  
18 Rico, or American Samoa’ for ‘or Puerto  
19 Rico’.

20 “(4) TREATMENT OF PAYMENTS.—For pur-  
21 poses of section 1324 of title 31, United States  
22 Code, the payments under this subsection shall be  
23 treated in the same manner as a refund due from  
24 a credit provision referred to in subsection (b)(2) of  
25 such section.



1       “(i) REGULATIONS.—The Secretary shall issue such  
2 regulations or other guidance as the Secretary determines  
3 necessary or appropriate to carry out the purposes of this  
4 section, including regulations or other guidance—

5               “(1) for determining whether an individual re-  
6 ceives care from a taxpayer for purposes of sub-  
7 section (c)(1), and

8               “(2) to coordinate or modify the application of  
9 this section and sections 24, 7527A, and 7527B in  
10 the case of any taxpayer—

11               “(A) whose taxable year is other than a  
12 calendar year,

13               “(B) whose filing status for a taxable year  
14 is different from the status used for deter-  
15 mining one or more monthly payments under  
16 section 7527B during such taxable year, or

17               “(C) whose principal place of abode for  
18 any month is different from the principal place  
19 of abode used for determining the monthly pay-  
20 ment under section 7527B for such month.

21   **“SEC. 24B. CREDIT FOR CERTAIN OTHER DEPENDENTS.**

22       “(a) IN GENERAL.—There shall be allowed as a cred-  
23 it against the tax imposed by this chapter for the taxable  
24 year an amount equal to \$500 with respect to each speci-  
25 fied dependent of such taxpayer for such taxable year.



1           “(b) LIMITATION BASED ON MODIFIED ADJUSTED

2 GROSS INCOME.—

3           “(1) IN GENERAL.—The amount of the credit  
4 allowable under subsection (a) shall be reduced (but  
5 not below zero) by \$50 for each \$1,000 (or fraction  
6 thereof) by which the taxpayer’s modified adjusted  
7 gross income exceeds the threshold amount.

8           “(2) THRESHOLD AMOUNT.—For purposes of  
9 this subsection, the term ‘threshold amount’  
10 means—

11           “(A) \$400,000, in the case of a joint re-  
12 turn or surviving spouse (as defined in section  
13 2(a)),

14           “(B) \$300,000, in the case of a head of  
15 household (as defined in section 2(b)), and

16           “(C) \$200,000, in any other case.

17           “(3) MODIFIED ADJUSTED GROSS INCOME.—

18 For purposes of this subsection, the term ‘modified  
19 adjusted gross income’ means adjusted gross income  
20 increased by any amount excluded from gross in-  
21 come under section 911, 931, or 933.

22           “(c) SPECIFIED DEPENDENT.—For purposes of this  
23 section, the term ‘specified dependent’ means, with respect  
24 to any taxpayer for any taxable year, any dependent of



1 such taxpayer for such taxable year unless such depend-  
2 ent—

3 “(1) is a specified child of the taxpayer, or any  
4 other taxpayer, for any month during such taxable  
5 year, or

6 “(2) would not be a dependent if subparagraph  
7 (A) of section 152(b)(3) were applied without regard  
8 to all that follows ‘resident of the United States’.

9 “(d) IDENTIFICATION REQUIREMENTS.—Rules simi-  
10 lar to the rules of section 24A(e) shall apply for purposes  
11 of this section.

12 “(e) TAXABLE YEAR MUST BE FULL TAXABLE  
13 YEAR.—Except in the case of a taxable year closed by rea-  
14 son of the death of the taxpayer, no credit shall be allow-  
15 able under this section in the case of a taxable year cov-  
16 ering a period of less than 12 months.

17 “(f) REGULATIONS.—The Secretary shall issue such  
18 regulations or other guidance as the Secretary determines  
19 necessary or appropriate to carry out the purposes of this  
20 section.”.

21 (b) MONTHLY PAYMENT OF CHILD TAX CREDIT.—  
22 Chapter 77 of such Code is amended by inserting after  
23 section 7527A the following new section:



1   **“SEC. 7527B. MONTHLY PAYMENTS OF CHILD TAX CREDIT.**

2       “(a) IN GENERAL.—The Secretary shall establish a  
3   program for making payments to taxpayers with respect  
4   to each calendar month equal to the monthly advance child  
5   payment determined with respect to such taxpayer for  
6   such month.

7       “(b) MONTHLY ADVANCE CHILD PAYMENT.—For  
8   purposes of this section and except as otherwise provided  
9   in this section, the term ‘monthly advance child payment’  
10  means, with respect to any taxpayer for any calendar  
11  month, the amount (if any) which is estimated by the Sec-  
12  retary as being equal to the monthly specified child allow-  
13  ance which would be determined under section 24A(b)  
14  with respect to such taxpayer for such calendar month if—

15           “(1) unless determined by the Secretary based  
16       on any information known to the Secretary, the only  
17       specified children of such taxpayer for such calendar  
18       month are the specified children of such taxpayer for  
19       the reference month,

20           “(2) unless determined by the Secretary based  
21       on any information known to the Secretary, the ages  
22       of such children (and the status of such children as  
23       specified children) are determined for such calendar  
24       month by taking into account the passage of time  
25       since such reference month,



1           “(3) the limitations of section 24A(b)(2) were  
2           applied with respect to the reference taxable year  
3           rather than with respect to the applicable taxable  
4           year, and

5           “(4) unless determined by the Secretary based  
6           on any information known to the Secretary, no  
7           monthly specified child allowance were determined  
8           with respect to such taxpayer for such calendar  
9           month unless the taxpayer (in the case of a joint re-  
10          turn, either spouse) has a principal place of abode  
11          (determined as provided in section 32) in the United  
12          States or Puerto Rico for more than one-half of the  
13          reference month.

14          “(c) PRESUMPTIVE ELIGIBILITY.—

15                 “(1) IN GENERAL.—An individual shall be  
16                 treated as a specified child of a taxpayer for pur-  
17                 poses of determining any monthly advance child pay-  
18                 ment under this section only if such month is part  
19                 of the period of presumptive eligibility determined by  
20                 the Secretary under this subsection with respect to  
21                 such specified child and such taxpayer (determined  
22                 by treating the month described in subclause (I) of  
23                 paragraph (2)(A)(ii) as being the first month begin-  
24                 ning after the determination described in such sub-  
25                 clause).





1           “(2) PERIOD OF PRESUMPTIVE ELIGIBILITY.—

2           For purposes of this section—

3           “(A) IN GENERAL.—Except as otherwise  
4           provided by the Secretary, the term ‘period of  
5           presumptive eligibility’ means the period—

6           “(i) beginning with the month for  
7           which presumptive eligibility is established,  
8           and

9           “(ii) ending with the earliest of—

10           “(I) the beginning of the month  
11           described in clause (i) if the Secretary  
12           determines that the taxpayer com-  
13           mitted fraud or intentionally dis-  
14           regarded rules or regulations in estab-  
15           lishing or maintaining presumptive  
16           eligibility,

17           “(II) in the case of any notifica-  
18           tion from the Secretary that the pe-  
19           riod of presumptive eligibility has  
20           been terminated or suspended by rea-  
21           son of any question regarding eligi-  
22           bility of the taxpayer for monthly ad-  
23           vance child payments with respect to  
24           such child, the month specified in  
25           such notice as the month on which



1 such termination or suspension be-  
2 gins, and

3 “(III) the month following any  
4 failure of the taxpayer to make the re-  
5 quired annual renewal of presumptive  
6 eligibility by such date as the Sec-  
7 retary may provide.

8 “(B) ESTABLISHING PRESUMPTIVE ELIGI-  
9 BILITY.—A taxpayer shall establish presumptive  
10 eligibility with respect to any specified child for  
11 any month at such time and in such manner as  
12 the Secretary may provide. Except as otherwise  
13 provided by the Secretary, in order to establish  
14 a period of presumptive eligibility the taxpayer  
15 must express a reasonable expectation and in-  
16 tent that the taxpayer will continue to be eligi-  
17 ble with respect to such specified child for at  
18 least the two months following the month for  
19 which presumptive eligibility is to be estab-  
20 lished.

21 “(C) METHOD OF ESTABLISHING PRE-  
22 SUMPTIVE ELIGIBILITY.—The Secretary shall  
23 ensure information to establish presumptive eli-  
24 gibility under this paragraph may be provided  
25 on the return of tax for the taxable year ending



1 before the calendar year which includes the  
2 month for which such eligibility is to be estab-  
3 lished, through the on-line portal described in  
4 subsection (e), or in such other manner as the  
5 Secretary may provide.

6 “(D) INCLUSION OF AUTOMATIC GRACE  
7 PERIODS AND PERIODS OF HARDSHIP.—The pe-  
8 riod of presumptive eligibility shall include any  
9 period to which paragraph (1) or (2) of sub-  
10 section (g) applies.

11 “(E) AUTOMATIC ELIGIBILITY FOR BIRTH  
12 OF CHILD.—The Secretary shall issue regula-  
13 tions or other guidance to establish procedures  
14 pursuant to which, to the maximum extent ad-  
15 ministratively practicable—

16 “(i) a parent of a child born during a  
17 calendar month shall be treated as auto-  
18 matically establishing presumptive eligi-  
19 bility with respect to such child,

20 “(ii) the period of such automatic pre-  
21 sumptive eligibility is determined, and

22 “(iii) the first monthly advance child  
23 payment with respect to such child is in-  
24 creased to properly take into account the  
25 months in the period of such automatic



1 presumptive eligibility which precede such  
2 payment.

3 “(F) PRESUMPTIVE ELIGIBILITY BASED  
4 ON CERTAIN GOVERNMENT PROGRAMS.—The  
5 Secretary shall issue regulations or other guid-  
6 ance to establish procedures under which—

7 “(i) based on information provided to  
8 the Secretary by one or more government  
9 entities, a parent or specified relative of a  
10 child is treated as automatically estab-  
11 lishing presumptive eligibility with respect  
12 to such child, and

13 “(ii) the period for which such auto-  
14 matic presumptive eligibility is determined  
15 (including any additional circumstances  
16 under which such period will terminate).

17 “(G) COORDINATION WITH PRESUMP-  
18 TION.—For purposes of determining the status  
19 of any individual as a specified child for pur-  
20 poses of determining presumptive eligibility  
21 with respect to any period, section 24A(c) shall  
22 be applied without regard to paragraph (7)  
23 thereof.

24 “(3) NOTICE OF TERMINATION OF PRESUMP-  
25 TIVE ELIGIBILITY BY REASON OF FAILURE TO MAKE



1 ANNUAL RENEWAL.—If a taxpayer’s period of pre-  
2 sumptive eligibility with respect to any specified  
3 child terminates by reason of paragraph  
4 (2)(A)(ii)(III), the Secretary shall provide the tax-  
5 payer a written notice of such termination.

6 “(d) DETERMINATION OF REFERENCE MONTH AND  
7 REFERENCE TAXABLE YEAR.—For purposes of this sec-  
8 tion—

9 “(1) REFERENCE MONTH.—The term ‘reference  
10 month’ means, with respect to any taxpayer for any  
11 calendar month, the most recent of—

12 “(A) in the case of a taxpayer who filed a  
13 return of tax for the last taxable year ending  
14 before such calendar month, the last month of  
15 such taxable year,

16 “(B) in the case of a taxpayer who filed a  
17 return of tax for the taxable year preceding the  
18 taxable year described in subparagraph (A), the  
19 last month of such preceding taxable year, and

20 “(C) in the case of a taxpayer who pro-  
21 vides, through a specified alternative mecha-  
22 nism, information which is sufficient to esti-  
23 mate the taxpayer’s monthly advance child pay-  
24 ment for such month, such month.



1           “(2) REFERENCE TAXABLE YEAR.—The term  
2       ‘reference taxable year’ means, with respect to any  
3       taxpayer for any calendar month, the most recent  
4       of—

5           “(A) the taxable year described in subpara-  
6       graph (A) or (B) of paragraph (1), or

7           “(B) in the case of a taxpayer who pro-  
8       vides, through a specified alternative mecha-  
9       nism, information which is sufficient to esti-  
10      mate the taxpayer’s modified adjusted gross in-  
11      come for the taxable year which includes such  
12      month, such taxable year.

13          “(3) AVAILABILITY       OF   INFORMATION.—Any  
14      month or year referred to in subparagraph (A), (B),  
15      or (C) of paragraph (1) or subparagraph (A) or (B)  
16      of paragraph (2) shall not be taken into account in  
17      determining the reference month or reference tax-  
18      able year with respect to any calendar month unless  
19      all relevant information with respect to such month  
20      or year is available to the Secretary and the Sec-  
21      retary has adequate time to make estimates under  
22      this section on the basis of such information before  
23      the beginning of such calendar month.



1           “(4) TREATMENT OF INSUFFICIENT INFORMA-  
2           TION.—Except as otherwise provided by the Sec-  
3           retary—

4                   “(A) if a taxpayer is not described in sub-  
5                   paragraph (A), (B), or (C) of paragraph (1)  
6                   with respect to any calendar month, the month-  
7                   ly advance child payment with respect to such  
8                   taxpayer for such calendar month shall be  
9                   treated as zero unless the Secretary determines  
10                  that the Secretary can make the estimate de-  
11                  scribed in subsection (b) on the basis of infor-  
12                  mation known to the Secretary which the Sec-  
13                  retary determines is reasonably reliable, and

14                   “(B) if the taxpayer is not described in  
15                   paragraph (1)(C) and the information on the  
16                   return of tax referred to in subparagraph (A)  
17                   or (B) of paragraph (1) does not establish the  
18                   status of the taxpayer (in the case of a joint re-  
19                   turn, either spouse) as having a principal place  
20                   of abode (determined as provided in section 32)  
21                   in the United States or Puerto Rico for more  
22                   than one-half of the reference month, the Sec-  
23                   retary shall determine such status based on in-  
24                   formation known to the Secretary.



1           “(5) TRANSITION RULE.—In any case with re-  
2           spect to which section 24A was not in effect for the  
3           taxable year described in subparagraph (A), (B), or  
4           (C) of paragraph (1) (whichever is applicable), sub-  
5           section (b)(1) shall be applied by substituting ‘the  
6           qualifying children of such taxpayer for the taxable  
7           year which includes the reference month’ for ‘the  
8           specified children of such taxpayer for the reference  
9           month’.

10          “(e) ON-LINE INFORMATION PORTAL; SPECIFIED

11 ALTERNATIVE MECHANISMS.—

12           “(1) ON-LINE INFORMATION PORTAL.—The  
13           Secretary shall establish an on-line portal which al-  
14           lows taxpayers to—

15                   “(A) subject to such restrictions as the  
16           Secretary may provide, elect to begin or cease  
17           receiving payments under this section, and

18                   “(B) provide information to the Secretary  
19           which is relevant in determining the monthly  
20           advance child payment and the taxpayer’s eligi-  
21           bility for such payment, including information  
22           regarding—

23                           “(i) the number of the taxpayer’s  
24                           specified children, including by reason of  
25                           the birth of a child,





1                   “(ii) the taxpayer’s marital status,  
2                   “(iii) the taxpayer’s modified adjusted  
3                   gross income,  
4                   “(iv) the taxpayer’s principal place of  
5                   abode, and  
6                   “(v) any other factor which the Sec-  
7                   retary may provide.

8                   “(2) SPECIFIED ALTERNATIVE MECHANISM.—

9                   For purposes of this section, the term ‘specified al-  
10                  ternative mechanism’ means the on-line portal estab-  
11                  lished under paragraph (1), the on-line portal estab-  
12                  lished under section 7527A, and any other mecha-  
13                  nism or method established by the Secretary to allow  
14                  taxpayer’s to provide the information described in  
15                  paragraph (1) (including in connection with the fil-  
16                  ing of any return of tax).

17                  “(3) AVAILABILITY           IN       MULTIPLE       LAN-  
18                  GUAGES.—The Secretary shall ensure that the on-  
19                  line portal described in paragraph (1) is available in  
20                  multiple languages.

21                  “(f) SPECIFIED CHILD OF MORE THAN 1 TAX-  
22                  PAYER.—

23                  “(1) IN GENERAL.—In the event that (without  
24                  regard to this paragraph) a period of presumptive  
25                  eligibility with respect to the same specified child



1 would exist for more than 1 taxpayer at the same  
2 time—

3 “(A) except as otherwise provided in this  
4 section or by the Secretary, a period of pre-  
5 sumptive eligibility shall exist only respect to  
6 the taxpayer with the most recent reference  
7 month,

8 “(B) the Secretary shall establish proce-  
9 dures under which the Secretary expeditiously  
10 adjudicates taxpayers’ competing claims of pre-  
11 sumptive eligibility with respect to the same  
12 child, and

13 “(C) the Secretary shall notify any tax-  
14 payer of the termination of a period of pre-  
15 sumptive eligibility pursuant to this subsection.

16 “(2) PROVISIONS RELATED TO ADJUDICA-  
17 TION.—

18 “(A) EXPEDITED PROCESS; APPEALS.—

19 The procedures established under paragraph  
20 (1)(B) shall include—

21 “(i) an expedited process for tax-  
22 payers who meet such requirements as the  
23 Secretary may establish for such expedited  
24 process, and



1 “(ii) procedures for adjudicating an  
2 appeal of an adverse decision.

3 “(B) INFORMATION RECEIPT AND COORDI-  
4 NATION.—The Secretary may enter into agree-  
5 ments to receive information from, and other-  
6 wise coordinate with—

7 “(i) Federal agencies (including the  
8 Social Security Administration and the De-  
9 partment of Agriculture),

10 “(ii) any State, local government,  
11 Tribal government, or possession of the  
12 United States, and

13 “(iii) any other individual or entity  
14 that the Secretary determines to be appro-  
15 priate for purposes of adjudicating a com-  
16 peting claim described in paragraph (1).

17 “(C) ADJUDICATION NOT TREATED AS AS-  
18 SESSMENT.—An adjudication under the proce-  
19 dures established under paragraph (1)(B) (in-  
20 cluding the adjudication of any appeal) shall  
21 not be treated as an assessment described in  
22 section 6201.

23 “(D) ADJUDICATION NOT TREATED AS IN-  
24 SPECTION OF TAXPAYER’S BOOKS OF AC-  
25 COUNT.—The inspection of a taxpayer’s books



1 of account in connection with any adjudication  
2 under the procedures established under para-  
3 graph (1)(B) (including the adjudication of any  
4 appeal) shall not be treated as an examination  
5 or inspection of a taxpayer's books of account  
6 for purposes of section 7605(b).

7 “(3) RETROACTIVE PAYMENTS.—If, pursuant to  
8 the procedures established under paragraph (1)(B),  
9 the Secretary determines that a child is a specified  
10 child of a taxpayer and the Secretary did not make  
11 payments to such taxpayer with respect to such child  
12 for any portion of the period during which the deter-  
13 mination was made, the Secretary may make a one-  
14 time payment to the taxpayer with respect to which  
15 such child is the specified child in an amount equal  
16 to the aggregate amount by which the monthly ad-  
17 vance child payments to such taxpayer would have  
18 increased during such period if such determination  
19 had been made immediately.

20 “(4) RECAPTURE OF PAYMENTS.—If, pursuant  
21 to the procedures established under paragraph  
22 (1)(B), the Secretary makes payments with respect  
23 to the child during the period during which the de-  
24 termination is made—



1           “(A) the Secretary shall provide each tax-  
2           payer which receives such payments notice that  
3           such payments may be subject to recapture,  
4           and

5           “(B) upon making such determination, the  
6           Secretary shall determine on the basis of the  
7           facts and circumstances of each such taxpayer  
8           whether any such payments should be subject  
9           to recapture and shall so notify each such tax-  
10          payer.

11          “(g) RULES RELATED TO GRACE PERIODS AND  
12          HARDSHIPS.—

13               “(1) AUTOMATIC GRACE PERIOD.—

14               “(A) IN GENERAL.—Notwithstanding sub-  
15               section (f), in the case of any failure or delay  
16               in establishing a period of presumptive eligi-  
17               bility with respect to which the taxpayer elects  
18               the application of this subparagraph, credit  
19               under section 24A or retroactive payment under  
20               this section (similar to the payment described in  
21               subsection (f)(3)) shall be allowed or made with  
22               respect to so much of the period of such failure  
23               or delay as does not exceed 3 months. The pre-  
24               ceding sentence shall not apply if the Secretary  
25               determines that such failure or delay was due



1 to fraud or reckless or intentional disregard of  
2 rules and regulations.

3 “(B) LIMITATION.—Subparagraph (A)  
4 shall not apply with respect to any taxpayer  
5 more than once during any 36-month period.

6 “(2) HARDSHIP.—Notwithstanding subsection  
7 (f), if the Secretary determines that a failure or  
8 delay in establishing a period of presumptive eligi-  
9 bility with respect to any specified child was due to  
10 domestic violence, serious illness, natural disaster, or  
11 any other hardship, credit under section 24A or ret-  
12 roactive payment under this section (similar to the  
13 payment described in subsection (f)(3)) shall be al-  
14 lowed or made with respect to so much of the period  
15 of such failure or delay as does not exceed 6 months.

16 “(h) PROVISIONS RELATED TO FORM, MANNER, AND  
17 TREATMENT OF PAYMENTS.—

18 “(1) APPLICATION OF ELECTRONIC FUNDS PAY-  
19 MENT REQUIREMENT.—The payments made by the  
20 Secretary under subsection (a) shall be made by  
21 electronic funds transfer to the same extent and in  
22 the same manner as if such payments were Federal  
23 payments not made under this title.

24 “(2) DELIVERY OF PAYMENTS.—Notwith-  
25 standing any other provision of law, the Secretary



1       may certify and disburse refunds payable under this  
2       section electronically to—

3               “(A) any account to which the payee au-  
4               thorized, on or after January 1, 2023, the deliv-  
5               ery of a refund of taxes under this title or of  
6               a Federal payment (as defined in section 3332  
7               of title 31, United States Code),

8               “(B) any account belonging to a payee  
9               from which that individual, on or after January  
10              1, 2023, made a payment of taxes under this  
11              title, or

12              “(C) any Treasury-sponsored account (as  
13              defined in section 208.2 of title 31, Code of  
14              Federal Regulations).

15              “(3) WAIVER OF CERTAIN RULES.—Notwith-  
16              standing section 3325 of title 31, United States  
17              Code, or any other provision of law, with respect to  
18              any payment of a refund under this section, a dis-  
19              bursing official in the executive branch of the United  
20              States Government may modify payment information  
21              received from an officer or employee described in  
22              section 3325(a)(1)(B) of such title for the purpose  
23              of facilitating the accurate and efficient delivery of  
24              such payment. Except in cases of fraud or reckless  
25              neglect, no liability under section 3325, 3527, 3528,



1 or 3529 of title 31, United States Code, shall be im-  
2 posed with respect to payments made under this  
3 paragraph.

4 “(4) EXCEPTION FROM REDUCTION OR OFF-  
5 SET.—Any applicable payment (as defined in para-  
6 graph (5)(E)(iii)) shall not be—

7 “(A) subject to reduction or offset pursu-  
8 ant to section 3716 or 3720A of title 31,  
9 United States Code,

10 “(B) subject to reduction or offset pursu-  
11 ant to subsection (c), (d), (e), or (f) of section  
12 6402, or

13 “(C) reduced or offset by other assessed  
14 Federal taxes that would otherwise be subject  
15 to levy or collection.

16 “(5) ASSIGNMENT OF BENEFITS.—

17 “(A) IN GENERAL.—The right of any per-  
18 son to any applicable payment shall not be  
19 transferable or assignable, at law or in equity,  
20 and no applicable payment shall be subject to,  
21 execution, levy, attachment, garnishment, or  
22 other legal process, or the operation of any  
23 bankruptcy or insolvency law.

24 “(B) ENCODING OF PAYMENTS.—In the  
25 case of an applicable payment described in sub-





1 paragraph (E)(iii)(I) that is paid electronically  
2 by direct deposit through the Automated Clear-  
3 ing House (ACH) network, the Secretary of the  
4 Treasury (or the Secretary's delegate) shall—

5 “(i) issue the payment using a unique  
6 identifier that is reasonably sufficient to  
7 allow a financial institution to identify the  
8 payment as an applicable payment, and

9 “(ii) further encode the payment pur-  
10 suant to the same specifications as re-  
11 quired for a benefit payment defined in  
12 section 212.3 of title 31, Code of Federal  
13 Regulations.

14 “(C) GARNISHMENT.—

15 “(i) ENCODED PAYMENTS.—In the  
16 case of a garnishment order that applies to  
17 an account that has received an applicable  
18 payment that is encoded as provided in  
19 subparagraph (B), a financial institution  
20 shall follow the requirements and proce-  
21 dures set forth in part 212 of title 31,  
22 Code of Federal Regulations, except—

23 “(I) notwithstanding section  
24 212.4 of title 31, Code of Federal  
25 Regulations (and except as provided



1 in subclause (II)), a financial institu-  
2 tion shall not fail to follow the proce-  
3 dures of sections 212.5 and 212.6 of  
4 such title with respect to a garnish-  
5 ment order merely because such order  
6 has attached, or includes, a notice of  
7 right to garnish federal benefits issued  
8 by a State child support enforcement  
9 agency, and

10 “(II) a financial institution shall  
11 not, with regard to any applicable  
12 payment, be required to provide the  
13 notice referenced in sections 212.6  
14 and 212.7 of title 31, Code of Federal  
15 Regulations.

16 “(ii) OTHER PAYMENTS.—In the case  
17 of a garnishment order (other than an  
18 order that has been served by the United  
19 States) that has been received by a finan-  
20 cial institution and that applies to an ac-  
21 count into which an applicable payment  
22 that has not been encoded as provided in  
23 subparagraph (B) has been deposited elec-  
24 tronically on any date during the lookback  
25 period or into which an applicable payment



1 that has been deposited by check on any  
2 date in the lookback period, the financial  
3 institution, upon the request of the account  
4 holder, shall treat the amount of the funds  
5 in the account at the time of the request,  
6 up to the amount of the applicable pay-  
7 ment (in addition to any amounts other-  
8 wise protected under part 212 of title 31,  
9 Code of Federal Regulations), as exempt  
10 from a garnishment order without requir-  
11 ing the consent of the party serving the  
12 garnishment order or the judgment cred-  
13 itor.

14 “(iii) LIABILITY.—A financial institu-  
15 tion that acts in good faith in reliance on  
16 clauses (i) or (ii) shall not be subject to li-  
17 ability or regulatory action under any Fed-  
18 eral or State law, regulation, court or other  
19 order, or regulatory interpretation for ac-  
20 tions concerning any applicable payments.

21 “(D) NO RECLAMATION RIGHTS.—This  
22 paragraph shall not alter the status of applica-  
23 ble payments as tax refunds or other nonbenefit  
24 payments for purpose of any reclamation rights  
25 of the Department of the Treasury or the Inter-

nal Revenue Service as per part 210 of title 31,  
Code of Federal Regulations.

“(E) DEFINITIONS.—For purposes of this paragraph—

“(i) ACCOUNT HOLDER.—The term ‘account holder’ means a natural person whose name appears in a financial institution’s records as the direct or beneficial owner of an account.

“(ii) ACCOUNT REVIEW.—The term ‘account review’ means the process of examining deposits in an account to determine if an applicable payment has been deposited into the account during the lookback period. The financial institution shall perform the account review following the procedures outlined in section 212.5 of title 31, Code of Federal Regulations and in accordance with the requirements of section 212.6 of title 31, Code of Federal Regulations.

“(iii) APPLICABLE PAYMENT.—The term ‘applicable payment’ means—

“(I) any payment made to an individual under this section (other than



1 any payment made pursuant to para-  
2 graph (6)),

3 “(II) any advance payment made  
4 by a possession of the United States  
5 with a mirror code tax system (as de-  
6 fined in section 24(h)) pursuant to an  
7 election under paragraph (6)(B)  
8 which corresponds to a payment de-  
9 scribed in subclause (I), and

10 “(III) any advance payment  
11 made by American Samoa pursuant to  
12 a program for making such payments  
13 which is described in paragraph  
14 (6)(C)(ii).

15 “(iv) GARNISHMENT.—The term ‘gar-  
16 nishment’ means execution, levy, attach-  
17 ment, garnishment, or other legal process.

18 “(v) GARNISHMENT ORDER.—The  
19 term ‘garnishment order’ means a writ,  
20 order, notice, summons, judgment, levy, or  
21 similar written instruction issued by a  
22 court, a State or State agency, a munici-  
23 pality or municipal corporation, or a State  
24 child support enforcement agency, includ-  
25 ing a lien arising by operation of law for



1 overdue child support or an order to freeze  
2 the assets in an account, to effect a gar-  
3 nishment against a debtor.

4 “(vi) LOOKBACK PERIOD.—The term  
5 ‘lookback period’ means the two month pe-  
6 riod that begins on the date preceding the  
7 date of account review and ends on the  
8 corresponding date of the month two  
9 months earlier, or on the last date of the  
10 month two months earlier if the cor-  
11 responding date does not exist.

12 “(6) APPLICATION OF ADVANCE PAYMENTS IN  
13 THE POSSESSIONS OF THE UNITED STATES.—

14 “(A) PUERTO RICO.—

15 “(i) For application of child tax credit  
16 to residents of Puerto Rico, see section  
17 24A(d).

18 “(ii) For application of monthly ad-  
19 vance child payments to residents of Puer-  
20 to Rico, see subsection (b)(4).

21 “(B) MIRROR CODE POSSESSIONS.—In the  
22 case of any possession of the United States with  
23 a mirror code tax system (as defined in section  
24 24A(h)(1)(C)), this section shall not be treated  
25 as part of the income tax laws of the United



1 States for purposes of determining the income  
2 tax law of such possession unless such posses-  
3 sion elects to have this section be so treated.

4 “(C) ADMINISTRATIVE EXPENSES OF AD-  
5 VANCE PAYMENTS.—

6 “(i) MIRROR CODE POSSESSIONS.—In  
7 the case of any possession described in  
8 subparagraph (B) which makes the elec-  
9 tion described in such subparagraph, the  
10 amount otherwise paid by the Secretary to  
11 such possession under section  
12 24A(h)(1)(A) with respect to taxable years  
13 beginning in 2024, 2025, and 2026 shall  
14 each be increased by \$300,000 if such pos-  
15 session has a plan, which has been ap-  
16 proved by the Secretary, for making  
17 monthly advance child payments consistent  
18 with such election.

19 “(ii) AMERICAN SAMOA.—The amount  
20 otherwise paid by the Secretary to Amer-  
21 ican Samoa under subparagraph (A) of  
22 section 24A(h)(3) with respect to taxable  
23 years beginning in 2024, 2025, and 2026  
24 shall each be increased by \$300,000 if the  
25 plan described in subparagraph (B) of



1           such section includes a program, which has  
2           been approved by the Secretary, for mak-  
3           ing monthly advance child payments under  
4           rules similar to the rules of this section.

5           “(iii) TIMING OF PAYMENT.—The  
6           Secretary may pay, upon the request of the  
7           possession of the United States to which  
8           the payment is to be made, the amount of  
9           the increase determined under clause (i) or  
10          (ii), respectively, immediately upon ap-  
11          proval of the plan with respect to which  
12          such payment relates.

13          “(i) APPLICATION OF CERTAIN DEFINITIONS AND  
14          RULES APPLICABLE TO CHILD TAX CREDIT.—

15               “(1) DEFINITIONS.—Except as otherwise pro-  
16          vided in this section, terms used in this section  
17          which are also used in section 24A shall have the  
18          same respective meanings as when used in section  
19          24A.

20               “(2) TREATMENT OF CERTAIN DEATHS.—A  
21          child shall not be taken into account in determining  
22          the monthly advance child payment for any calendar  
23          month if the death of such child before the end of  
24          such month is known to the Secretary as of date on  
25          which the Secretary estimates such payment.





1           “(3) IDENTIFICATION REQUIREMENTS.—Rules  
2           similar to the rules which apply under section  
3           24A(e) shall apply for purposes of this section ex-  
4           cept that such rules shall apply with respect to the  
5           return of tax for the reference taxable year or, in the  
6           case of information provided through a specified al-  
7           ternative mechanism, with respect to the information  
8           provided through such mechanism.

9           “(4) RESTRICTIONS ON TAXPAYERS WHO IM-  
10          PROPERLY CLAIMED CREDIT OR RECEIVED MONTHLY  
11          ADVANCE CHILD PAYMENTS.—For restrictions on  
12          taxpayers who improperly claimed credit or received  
13          monthly advance child payments, see section 24A(f).

14          “(j) NOTICE OF PAYMENTS.—

15                 “(1) IN GENERAL.—Not later than January 31  
16                 of the calendar year following any calendar year dur-  
17                 ing which the Secretary makes one or more pay-  
18                 ments to any taxpayer under this section, the Sec-  
19                 retary shall provide such taxpayer with a written no-  
20                 tice which includes—

21                         “(A) the taxpayer’s taxpayer identity (as  
22                         defined in section 6103(b)(6)),

23                         “(B) the aggregate amount of such pay-  
24                         ments made to such taxpayer during such cal-  
25                         endar year, and



1                   “(C) such other information as the Sec-  
2                   retary determines appropriate.

3                   “(2) CERTAIN PAYMENTS SUBJECT TO RECAP-  
4                   TURE.—In the case of any payments made to a tax-  
5                   payer which the Secretary has determined are sub-  
6                   ject to recapture, the notice provided under para-  
7                   graph (1) to such taxpayer shall include the amount  
8                   of such payments.

9                   “(k) NOTIFICATION OF CERTAIN EVENTS.—With re-  
10                  spect to any taxpayer receiving monthly advance child pay-  
11                  ments under this section with respect to any specified  
12                  child, the Secretary shall, to the maximum extent prac-  
13                  ticable, provide reasonable advance notice of each of the  
14                  following:

15                 “(1) Any month with respect to which such  
16                 monthly advance child payment will increase (rel-  
17                 ative to the preceding month) by reason of an infla-  
18                 tion adjustment under section 24A(b)(3)(A).

19                 “(2) Any month with respect to which such  
20                 monthly advance child payment will be reduced (rel-  
21                 ative to the preceding month) by reason of such  
22                 child ceasing to be a specified child by reason of at-  
23                 taining age 18.

24                 “(3) In the case of a taxpayer with a specified  
25                 child described in section 24A(b)(1)(A), any month



1 with respect to which such monthly advance child  
2 payment will be reduced by reason of such child at-  
3 taining age 6.

4 “(l) REGULATIONS.—The Secretary shall issue such  
5 regulations or other guidance as the Secretary determines  
6 necessary or appropriate to carry out the purposes of this  
7 section.”.

8 (c) TERMINATION OF ANNUAL CHILD TAX CRED-  
9 IT.—Section 24 is amended by adding at the end the fol-  
10 lowing new subsection:

11 “(l) TERMINATION.—This section shall not apply to  
12 (and no payment shall be made under subsection (k) with  
13 respect to) any taxable year beginning after December 31,  
14 2023.”.

15 (d) DISCLOSURE OF INFORMATION RELATING TO AD-  
16 VANCE PAYMENT OF CHILD TAX CREDIT.—Section  
17 6103(e) is amended by adding at the end the following  
18 new paragraph:

19 “(12) DISCLOSURE OF INFORMATION RELATING  
20 TO ADVANCE PAYMENT OF CHILD TAX CREDIT.—

21 “(A) JOINT FILERS.—In the case of an in-  
22 dividual to whom the Secretary makes pay-  
23 ments under section 7527A or who is eligible  
24 for monthly advance child payments under sec-  
25 tion 7527B, if the reference taxable year (as



1 defined in section 7527A(b)(2) or 7527B(d)(2),  
2 as the case may be) that the Secretary uses to  
3 calculate such payments is a year for which the  
4 individual filed an income tax return jointly  
5 with another individual, the Secretary may dis-  
6 close to such individual any information which  
7 is relevant in determining the payment under  
8 section 7527A, or the monthly advance child  
9 payment under section 7527B, and the individ-  
10 ual's eligibility for such payment, including in-  
11 formation regarding any of the following:

12 “(i) The number of specified children,  
13 including by reason of the birth of a child.

14 “(ii) The name and TIN of specified  
15 children.

16 “(iii) Marital status.

17 “(iv) Modified adjusted gross income.

18 “(v) Principal place of abode.

19 “(vi) Any other factor which the Sec-  
20 retary may provide pursuant to section  
21 7527A(c) or 7527B(e).

22 “(B) COMPETING CLAIMANTS.—In the case  
23 of an individual who has a competing claim of  
24 presumptive eligibility with respect to a speci-  
25 fied child under section 7527B(f)(1), the Sec-

| Age Group | Percentage of Respondents |
|-----------|---------------------------|
| 18-24     | 10                        |
| 25-34     | 25                        |
| 35-44     | 40                        |
| 45-54     | 60                        |
| 55-64     | 75                        |
| 65+       | 85                        |

retary may disclose to such individual return in-  
formation provided by another individual who  
has a competing claim of presumptive eligibility  
with respect to the same specified child in the  
course of the Secretary's adjudication of that  
competing claim, as well as any other informa-  
tion considered by the Secretary with respect to  
that competing claim. Such information shall be  
limited to the items specified in subparagraph  
(A) and the following:

11 “(i) Information received under any  
12 agreements or coordination the Secretary  
13 entered into with—

14 “(I) any State, local government,  
15 Tribal government, or possession of  
16 the United States, or

17 “(II) any other individual or enti-  
18 ty that the Secretary determines to be  
19 appropriate for purposes of adjudi-  
20 cating a competing claim.

21 “(ii) Information considered by the  
22 Secretary about where and with whom the  
23 specified child resided.

24 “(iii) Information considered by the  
25 Secretary about expenditures made by the



1 claimants to the extent such payments re-  
2 late to the competing claim.”.

3 (e) CONFORMING AMENDMENTS.—

4 (1) Section 26(b)(2) is amended by striking  
5 “and” at the end of subparagraph (Y), by striking  
6 the period at the end of subparagraph (Z) and in-  
7 serting “, and”, and by adding at the end the fol-  
8 lowing new subparagraph:

9 “(AA) section 24A(g)(2) (relating to recap-  
10 ture of certain monthly advance child pay-  
11 ments).”.

12 (2) Section 152(f)(6)(B)(ii) is amended to read  
13 as follows:

14 “(ii) the credits under sections 24,  
15 24A, and 24B and the payments under  
16 sections 7527A and 7527B,”.

17 (3) Section 3402(f)(1)(C) is amended by insert-  
18 ing “or section 24A (determined after application of  
19 subsection (g) thereof)” after “section 24 (deter-  
20 mined after application of subsection (j) thereof)”.

21 (4) Section 6103(l)(13)(A)(v) is amended by in-  
22 sert “or section 24A, as the case may be” after  
23 “section 24”.

24 (5) Section 6211(b)(4)(A) is amended by insert-  
25 ing “24A by reason of subsection (d) thereof,” after



1 “24 by reason of subsections (d) and (i)(1) there-  
2 of.”

3 (6) Section 6213(g)(2)(I) is amended by insert-  
4 ing “or section 24A(e) (relating to monthly child tax  
5 credit)” after “section 24(e) (relating to child tax  
6 credit)”.

7 (7) Section 6213(g)(2)(L) is amended by insert-  
8 ing “24A,” after “24,”.

9 (8) Section 6213(g)(2)(P) is amended—

10 (A) by inserting “or 24A(f)(2)” after “sec-  
11 tion 24(g)(2)”,

12 (B) by inserting “or 24A” after “under  
13 section 24”, and

14 (C) by striking “subsection (g)(1) thereof”  
15 and inserting “section 24(g)(1) or section  
16 24A(f)(1), respectively”.

17 (9) Section 6695(g)(2) is amended by inserting  
18 “24A,” after “24,”.

19 (10) Paragraph (2) of section 1324(b) of title  
20 31, as amended by the preceding provisions of this  
21 Act, is amended—

22 (A) by inserting “24A,” after “24,”, and

23 (B) by inserting “7527B,” after “7527A,”.

24 (11) The table of sections for subpart A of part  
25 IV of subchapter A of chapter 1 is amended by in-



1       serting after the item relating to section 24 the fol-  
2       lowing new items:

“Sec. 24A. Monthly child tax credit.

“Sec. 24B. Credit for certain other dependents.”.

3               (12) The table of sections for chapter 77 is  
4       amended by inserting after the item relating to sec-  
5       tion 7527A the following new item:

“Sec. 7527B. Monthly payments of child tax credit.”.

6       (f) EFFECTIVE DATES.—

7               (1) IN GENERAL.—Except as otherwise pro-  
8       vided in this subsection, the amendments made by  
9       this section shall apply to taxable years beginning  
10      after December 31, 2023.

11              (2) MONTHLY ADVANCE CHILD PAYMENTS.—

12      The amendments made by subsection (b) shall apply  
13      to calendar months beginning after December 31,  
14      2023.

15              (3) INFORMATION DISCLOSURE.—The amend-  
16      ment made by subsection (d) shall take effect on the  
17      date of the enactment of this Act.

18   **SEC. 110120. CAPITAL GAINS RATES NOT APPLICABLE TO**  
19                           **CERTAIN HIGH INCOME TAXPAYERS.**

20              (a) IN GENERAL.—Section 1(h)(1) is amended by in-  
21      serting “and the taxable income of such taxpayer for such  
22      taxable year does not exceed \$1,000,000 (half such  
23      amount in the case of a married individual filing a sepa-





1 rate return)” after “If a taxpayer has a net capital gain  
2 for any taxable year”.

3 (b) INFLATION ADJUSTMENT.—Section 1(h) is  
4 amended by adding at the end the following new para-  
5 graph:

6 “(12) INFLATION ADJUSTMENT.—

7 “(A) IN GENERAL.—In the case of any  
8 taxable year beginning after 2024, the  
9 \$1,000,000 amount in paragraph (1) shall be  
10 increased by an amount equal to—

11 “(i) such dollar amount, multiplied by

12 “(ii) the cost-of-living adjustment de-  
13 termined under section 1(f)(3) for the cal-  
14 endar year in which the taxable year be-  
15 gins, determined by substituting ‘calendar  
16 year 2022’ for ‘calendar year 2016’ in sub-  
17 paragraph (A)(ii) thereof.

18 “(B) ROUNDING.—If any increase under  
19 subparagraph (A) is not a multiple of \$50, such  
20 dollar amount shall be rounded to the next low-  
21 est multiple of \$50.”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2023.



1 SEC. 110121. INCREASE IN RATES OF CERTAIN CORPORATE  
2 TAXES.

3 (a) CORPORATE INCOME TAX RATE.—Section 11(b)  
4 is amended by striking “21 percent” and inserting “28  
5 percent”.

6 (b) RATE OF TAX ON REPURCHASE OF CORPORATE  
7 STOCK.—Section 4501(a) is amended by striking “1 per-  
8 cent” and inserting “4 percent”.

9 (c) CORPORATE ALTERNATIVE MINIMUM TAX  
10 RATE.—Section 55(b)(2)(A)(i) is amended to read as fol-  
11 lows:

12 “(i) the sum of—  
13 “(I) 15 percent of so much of the  
14 adjusted financial statement income  
15 (as defined in section 56A) as does  
16 not exceed \$5,000,000,000, plus  
17 “(II) 25 percent of so much of  
18 such adjusted financial statement in-  
19 come as exceeds \$5,000,000,000,”.

20 (d) EFFECTIVE DATES.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2023.

