

AMENDMENT TO RULES COMMITTEE PRINT 119–**3****OFFERED BY MRS. SYKES OF OHIO**

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

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—

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,

5 “(ii) in the case of a parent of such
6 individual, the adjusted gross income of
7 the taxpayer (with respect to whom such
8 individual would be treated as a specified
9 child after application of this subpara-
10 graph) for the taxable year which includes
11 such month is higher than the highest ad-
12 justed gross income of any parent of the
13 individual for any taxable year which in-
14 cludes such month (determined without re-
15 gard to any parent with respect to whom
16 such individual is not a specified child, de-
17 termined without regard to subparagraphs
18 (A) and (B) and after application of this
19 subparagraph), and

20 “(iii) in the case of a specified relative
21 of such individual, the adjusted gross in-
22 come of the taxpayer (with respect to
23 whom such individual would be treated as
24 a specified child after application of this
25 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-

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

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

5 “(i) ACCOUNT HOLDER.—The term
6 ‘account holder’ means a natural person
7 whose name appears in a financial institu-
8 tion’s records as the direct or beneficial
9 owner of an account.

10 “(ii) ACCOUNT REVIEW.—The term
11 ‘account review’ means the process of ex-
12 amining deposits in an account to deter-
13 mine if an applicable payment has been de-
14 posited into the account during the
15 lookback period. The financial institution
16 shall perform the account review following
17 the procedures outlined in section 212.5 of
18 title 31, Code of Federal Regulations and
19 in accordance with the requirements of sec-
20 tion 212.6 of title 31, Code of Federal
21 Regulations.

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

24 “(I) any payment made to an in-
25 dividual 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(e) 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-

1 retary may disclose to such individual return in-
2 formation provided by another individual who
3 has a competing claim of presumptive eligibility
4 with respect to the same specified child in the
5 course of the Secretary’s adjudication of that
6 competing claim, as well as any other informa-
7 tion considered by the Secretary with respect to
8 that competing claim. Such information shall be
9 limited to the items specified in subparagraph
10 (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.

