

AMENDMENT

OFFERED BY M__ . _____

In section 24(a)(2) of the Internal Revenue Code of 1986, as proposed to be added by section 1101, strike “for taxable years beginning before January 1, 2023,”.

In section 24(d)(1)(A) of such Code, as proposed to be added by section 1101(c)(1), strike “and” at the end of clause (ii) and insert “or” and strike clause (iii).

Strike paragraph (2) of section 1101(c).

Redesignate subsection (d) of section 1101 as subsection (j) and insert after subsection (c) the following:

1 (d) SPECIAL RULE FOR YOUNG CHILDREN.—Section
2 24 is amended by adding at the end the following:

3 “(h) YOUNG CHILD TAX CREDIT.—

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

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

1 “(3) LIMITATION BASED ON ADJUSTED GROSS
2 INCOME.—For purposes of applying subsection (b)
3 with respect to a young qualifying child, paragraph
4 (1) of subsection (b) shall be applied by substituting
5 ‘\$180’ for ‘\$50’.

6 “(4) RECONCILIATION OF CREDIT AND AD-
7 VANCE CREDIT.—

8 “(A) IN GENERAL.—The amount of the
9 credit allowed under subsection (a) by reason of
10 paragraph (1) for any taxable year shall be re-
11 duced (but not below zero) by the aggregate
12 amount of any advance payments of such credit
13 under section 7527A for such taxable year.

14 “(B) EXCESS ADVANCE PAYMENTS.—If the
15 aggregate amount of advance payments under
16 section 7527A for the taxable year exceeds the
17 amount of the credit allowed under subsection
18 (a) by reason of paragraph (1) for such taxable
19 year (determined without regard to subpara-
20 graph (A)), the tax imposed by this chapter for
21 such taxable year shall be increased by the
22 amount of such excess.”.

23 (e) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of
24 such Code is amended by inserting after section 7527 the
25 following new section:

1 **“SEC. 7527A. ADVANCE PAYMENT OF YOUNG CHILD TAX**
2 **CREDIT.**

3 “(a) IN GENERAL.—As soon as practicable and not
4 later than 1 year after the date of the enactment of this
5 section, the Secretary shall establish a program for mak-
6 ing advance payments of the credit allowed under section
7 24 by reason of subsection (h) thereof on a monthly basis,
8 or as frequently as the Secretary determines to be admin-
9 istratively feasible, to taxpayers allowed such credit (deter-
10 mined without regard to section 24(h)(4)(A)).

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

20 (f) ADJUSTMENTS FOR INFLATION.—Section 24, as
21 amended by subsection (d), is amended by adding at the
22 end the following new subsection:

23 “(i) INFLATION ADJUSTMENTS.—

24 “(1) CREDIT AMOUNT GENERALLY.—In the
25 case of any taxable year beginning in a calendar
26 year after 2016, the \$1,600 amount contained in

1 subsection (a) shall be increased by an amount equal
2 to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2010’ for
8 ‘calendar year 1992’ in subparagraph (B)
9 thereof.

10 “(2) YOUNG CHILD CREDIT AMOUNT.—In the
11 case of any taxable year beginning in a calendar
12 year after 2017, the \$3,600 amount contained in
13 subsection (h)(1) shall be increased by an amount
14 equal to—

15 “(A) such dollar amount, multiplied by

16 “(B) the cost-of-living adjustment deter-
17 mined under section 1(f)(3) for the calendar
18 year in which the taxable year begins, deter-
19 mined by substituting ‘calendar year 2017’ for
20 ‘calendar year 1992’ in subparagraph (B)
21 thereof.

22 “(3) ROUNDING.—Any increase determined
23 under paragraph (1) or (2) shall be rounded to the
24 nearest multiple of \$50.”.

1 (g) REFUNDABLE PORTION.—Clause (i) of section
2 24(d)(1)(B) is amended to read as follows:

3 “(i) 45 percent of the taxpayer’s
4 earned income (within the meaning of sec-
5 tion 32) which is taken into account in
6 computing taxable income for the taxable
7 year, or”.

8 (h) EQUITABLE TREATMENT FOR RESIDENTS OF
9 PUERTO RICO WITH RESPECT TO THE REFUNDABLE
10 PORTION OF THE CHILD TAX CREDIT.—Section 24(d)(1)
11 is amended by inserting “or section 933” after “section
12 112”.

13 (i) CONFORMING AMENDMENTS.—

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

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

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

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

Strike section 1103.

Section 1101 is amended by adding at the end the
following:

1 (j) CORPORATE RATE INCREASE TO ACHIEVE REV-
2 ENUE NEUTRALITY.—

3 (1) IN GENERAL.—The rate of tax specified in
4 section 11(b)(1) of the Internal Revenue Code of
5 1986 (after the amendment made by section
6 3001(a)) shall be increased by such number of per-
7 centage points as is necessary to fully offset the ag-
8 gregate reduction in Federal revenues which result
9 from the amendments made to section 1101 and
10 strikes made to sections 1101(c) and 1103 by this
11 amendment.

12 (2) EFFECTIVE DATE.—Subsection (a) shall
13 apply as if such provision were an amendment made
14 by section 3001(a).

