

Amendment to the Amendment in the Nature of a Substitute to Subtitle G. Budget Reconciliation Legislative Recommendations Relating to Promoting Economic Security offered by Rep. Smith of Missouri

The amendment would create an Increased Child Tax Credit (\$2,000 under TCJA) made permanent.

AMENDMENT**OFFERED BY Mr. Smith**

At the end of subtitle G, add the following:

1 SEC. 9674. TEMPORARY PROVISIONS OF CHILD TAX CREDIT**2 MADE PERMANENT.**

3 (a) IN GENERAL.—Section 24 of the Internal Rev-
4 enue Code of 1986 is amended by striking subsections (a),
5 (b), and (c) and inserting the following new subsections:

6 “(a) ALLOWANCE OF CREDIT.—There shall be al-
7 lowed as a credit against the tax imposed by this chapter
8 for the taxable year an amount equal to the sum of—

9 “(1) \$2,000 for each qualifying child of the tax-
10 payer, and

11 “(2) \$500 for each qualifying dependent (other
12 than a qualifying child) of the taxpayer.

13 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
14 COME.—The amount of the credit allowable under sub-
15 section (a) shall be reduced (but not below zero) by \$50
16 for each \$1,000 (or fraction thereof) by which the tax-
17 payer’s modified adjusted gross income exceeds \$400,000
18 in the case of a joint return (\$200,000 in any other case).
19 For purposes of the preceding sentence, the term “modi-
20 fied adjusted gross income” means adjusted gross income

1 increased by any amount excluded from gross income
2 under section 911, 931, or 933.

3 “(c) QUALIFYING CHILD; QUALIFYING DEPEND-
4 ENT.—For purposes of this section—

5 “(1) QUALIFYING CHILD.—The term ‘qualifying
6 child’ means any qualifying dependent of the tax-
7 payer—

8 “(A) who is a qualifying child (as defined
9 in section 7706(c)) of the taxpayer,

10 “(B) who has not attained age 17 at the
11 close of the calendar year in which the taxable
12 year of the taxpayer begins, and

13 “(C) whose name and social security num-
14 ber are included on the taxpayer’s return of tax
15 for the taxable year.

16 “(2) QUALIFYING DEPENDENT.—The term
17 ‘qualifying dependent’ means any dependent of the
18 taxpayer (as defined in section 7706 without regard
19 to all that follows ‘resident of the United States’ in
20 section 7706(b)(3)(A)) whose name and TIN are in-
21 cluded on the taxpayer’s return of tax for the tax-
22 able year.

23 “(3) SOCIAL SECURITY NUMBER DEFINED.—
24 For purposes of this subsection, the term ‘social se-
25 curity number’ means, with respect to a return of

1 tax, a social security number issued to an individual
2 by the Social Security Administration, but only if
3 the social security number is issued—

4 “(A) to a citizen of the United States or
5 pursuant to subclause (I) (or that portion of
6 subclause (III) that relates to subclause (I)) of
7 section 205(c)(2)(B)(i) of the Social Security
8 Act, and

9 “(B) on or before the due date of filing
10 such return.”.

11 (b) PORTION OF CREDIT REFUNDABLE.—

12 (1) IN GENERAL.—Section 24(d)(1)(A) of such
13 Code is amended to read as follows:

14 “(A) the credit which would be allowed
15 under this section determined—

16 “(i) by substituting ‘\$1,400’ for
17 ‘\$2,000’ in subsection (a)(1),

18 “(ii) without regard to subsection
19 (a)(2), and

20 “(iii) without regard to this subsection
21 and the limitation under section 26(a),
22 or”.

23 (2) MODIFICATION OF LIMITATION BASED ON
24 EARNED INCOME.—Section 24(d)(1)(B)(i) of such

1 Code is amended by striking “\$3,000” and inserting
2 “\$2,500”.

3 (3) INFLATION ADJUSTMENT.—Section 24(d) of
4 such Code is amended by inserting after paragraph
5 (3) the following new paragraph:

6 “(4) ADJUSTMENT FOR INFLATION.—

7 “(A) IN GENERAL.—In the case of a tax-
8 able year beginning after 2021, the \$1,400
9 amount in paragraph (1)(A)(i) shall be in-
10 creased 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 ‘2020’ for
16 ‘2016’ in subparagraph (A)(ii) thereof.

17 “(B) ROUNDING.—If any increase under
18 subparagraph (A) is not a multiple of \$100,
19 such increase shall be rounded to the next low-
20 est multiple of \$100.

21 “(C) LIMITATION.—The amount of any in-
22 crease under subparagraph (A) (after the appli-
23 cation of subparagraph (B)) shall not exceed
24 \$600.”.

25 (4) CONFORMING AMENDMENTS.—

1 (A) Section 24(e) of such Code is amended
2 to read as follows:

3 “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—
4 No credit shall be allowed under this section if the identi-
5 fying number of the taxpayer was issued after the due date
6 for filing the return of tax for the taxable year.”.

7 (B) Section 24 of such Code is amended by
8 striking subsection (h).

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2020.

12 **SEC. 9675. APPLICATION OF SOCIAL SECURITY NUMBER RE-**
13 **QUIREMENT TO TAXPAYER CLAIMING CHILD**
14 **TAX CREDIT.**

15 (a) IN GENERAL.—Section 24(e) of the Internal Rev-
16 enue Code of 1986, as amended by section 9674, is
17 amended to read as follows:

18 “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—
19 No credit shall be allowed under this section unless the
20 social security number of the taxpayer (in the case of a
21 joint return, the social security numbers of each spouse)
22 is included on the return of tax for the taxable year.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2020.

