



Correcting the Record: Child Tax Credit and Immigration

In the 25-year history of the child tax credit, there was no meaningful safeguard with respect to illegal immigration until GOP tax reform in 2017. GOP tax reform added a Social Security Number (SSN) requirement for a child to be eligible for the credit.

The *Tax Relief for American Families and Workers Act* PRESERVES existing SSN protections, DOES NOT change any current safeguards in the child tax credit, and DOES NOT open the door to new child tax credit claims by illegal immigrants.

- When Republicans expanded the child tax credit in the 2017 GOP tax reform, they also added an SSN requirement for a child to be eligible for the credit.
- Prior to GOP tax reform, the improper payment rate for the child tax credit was 25 percent – the new SSN safeguard helped cut the improper payment rate in half.
- And with the GOP tax reform safeguard in place, recent border crossings will not be eligible for the child tax credit.
- The SSN requirement for a child to be eligible for the credit is set to expire at the end of 2025 and will require congressional action to extend or make it permanent.

No other tax credit or deduction can match the child tax credit's protections from improper claims combined with safeguards on payment of benefits to non-citizens.

- Adding SSN safeguards to other provisions across the individual side of the tax code continues to be a long-term effort, achieving a few hard-fought gains over time.
- Other than GOP tax reform in 2017, the most recent change to add SSN safeguards was in the *PATH Act of 2015*.
- Many provisions in the tax code currently have no SSN requirements:
 - Child and Dependent Care Tax Credit.
 - Saver's Credit.
 - Education credits like the American Opportunity and Lifetime Learning Credits.
 - Green handouts like the Electric Vehicle Tax Credit, Energy Efficient Home Improvement Credit, and the Residential Clean Energy Credit.
 - Deductions like the standard deduction and the teacher expense deduction.
- Since the inception of the child tax credit, taxpayers with an Individual Tax Identification Number (ITIN) can claim the credit with respect to eligible children – a situation currently covering less than 0.75 percent of all tax filers.