

1 **SEC. ____ . PERMANENT EXTENSION OF EARNED INCOME**
2 **CREDIT RULES FOR INDIVIDUALS WITHOUT**
3 **QUALIFYING CHILDREN.**

4 (a) **DECREASE IN MINIMUM AGE FOR CREDIT.—**

5 (1) **IN GENERAL.—**Subclause (II) of section
6 32(c)(1)(A)(ii) of the Internal Revenue Code of
7 1986 is amended by striking “age 25” and inserting
8 “the applicable minimum age”.

9 (2) **APPLICABLE MINIMUM AGE.—**Paragraph
10 (1) of section 32(c) of such Code is amended by add-
11 ing at the end the following new subparagraph:

12 “(F) **APPLICABLE MINIMUM AGE.—**For
13 purposes of this paragraph—

14 “(i) **IN GENERAL.—**the term ‘applica-
15 ble minimum age’ means—

16 “(I) except as otherwise provided
17 in this clause, age 19,

18 “(II) in the case of a specified
19 student (other than a qualified former
20 foster youth or a qualified homeless
21 youth), age 24, and

22 “(III) in the case of a qualified
23 former foster youth or a qualified
24 homeless youth, age 18.

1 “(ii) SPECIFIED STUDENT.—For pur-
2 poses of this subparagraph, the term ‘spec-
3 ified student’ means, with respect to any
4 taxable year, an individual who is an eligi-
5 ble student (as defined in section
6 25A(b)(3)) during at least 5 calendar
7 months during the taxable year.

8 “(iii) QUALIFIED FORMER FOSTER
9 YOUTH.—For purposes of this subpara-
10 graph, the term ‘qualified former foster
11 youth’ means an individual who—

12 “(I) on or after the date that
13 such individual attained age 14, was
14 in foster care provided under the su-
15 pervision or administration of an enti-
16 ty administering (or eligible to admin-
17 ister) a plan under part B or part E
18 of title IV of the Social Security Act
19 (without regard to whether Federal
20 assistance was provided with respect
21 to such child under such part E), and

22 “(II) provides (in such manner
23 as the Secretary may provide) consent
24 for entities which administer a plan
25 under part B or part E of title IV of

1 the Social Security Act to disclose to
2 the Secretary information related to
3 the status of such individual as a
4 qualified former foster youth.

5 “(iv) QUALIFIED HOMELESS
6 YOUTH.—For purposes of this subpara-
7 graph, the term ‘qualified homeless youth’
8 means, with respect to any taxable year,
9 an individual who certifies, in a manner as
10 provided by the Secretary, that such indi-
11 vidual is either an unaccompanied youth
12 who is a homeless child or youth, or is un-
13 accompanied, at risk of homelessness, and
14 self-supporting.”.

15 (b) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—
16 Subclause (II) of section 32(c)(1)(A)(ii) of the Internal
17 Revenue Code of 1986 is amended by striking “but not
18 attained age 65”.

19 (c) INCREASE IN CREDIT AND PHASEOUT PERCENT-
20 AGES.—The table contained in paragraph (1) of section
21 32(b) of the Internal Revenue Code of 1986 is amended
22 by striking “7.65” each place it appears and inserting
23 “15.3”.

24 (d) INCREASE IN EARNED INCOME AND PHASEOUT
25 AMOUNTS.—The table contained in subparagraph (A) of

1 section 32(b)(2) of the Internal Revenue Code of 1986 is
2 amended—

3 (1) by striking “\$4,220” and inserting
4 “\$9,820”, and

5 (2) by striking “\$5,280” and inserting
6 “\$11,610”.

7 (e) INFLATION ADJUSTMENTS.—Subsection (j) of
8 section 32 of the Internal Revenue Code of 1986 is amend-
9 ed—

10 (1) by striking “subsection (i)(1)” in paragraph
11 (1) and inserting “subsection (i)(1) and 2024 in the
12 case of the third row of the table in subsection
13 (b)(2)(A)”, and

14 (2) by striking “(b)(2)(A), ‘calendar year
15 1995’” in paragraph (1)(B)(i) and inserting
16 “(b)(2)(A)—

17 “(I) in the case of the third row
18 of the table in such subsection, ‘cal-
19 endar year 2023’ for ‘calendar year
20 2016’, and

21 “(II) in any other case, ‘calendar
22 year 1995’”.

23 (f) CONFORMING AMENDMENT.—Section 32 of the
24 Internal Revenue Code of 1986 is amended by striking
25 subsection (n).

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

4 **SEC. ____ . APPLICATION OF EARNED INCOME CREDIT TO**
5 **POSSESSIONS OF THE UNITED STATES.**

6 (a) PUERTO RICO.—Subparagraph (B) of section
7 7530(a)(1) of the Internal Revenue Code of 1986 is
8 amended by striking “in the case of calendar years 2021
9 through 2025,”.

10 (b) POSSESSIONS WITH MIRROR CODE TAX SYS-
11 TEMS.—Subparagraph (B) of section 7530(b)(1) of the
12 Internal Revenue Code of 1986 is amended by striking “in
13 the case of calendar years 2021 through 2025,”.

14 (c) AMERICAN SAMOA.—Subparagraph (B) of section
15 7530(c)(1) of the Internal Revenue Code of 1986 is
16 amended by striking “in the case of calendar years 2021
17 through 2025,”.

18 **SEC. ____ . ELECTION TO USE PRIOR YEAR EARNED INCOME.**

19 (a) IN GENERAL.—Paragraph (2) of section 32(c) of
20 the Internal Revenue Code of 1986 is amended by adding
21 at the end the following new subparagraph:

22 (C) ELECTION TO USE PRIOR YEAR
23 EARNED INCOME.—

24 (i) IN GENERAL.—If the earned in-
25 come of the taxpayer for any taxable year

1 is less than the earned income of the tax-
2 payer for the preceding taxable year, the
3 credit allowed under subsection (a) may, at
4 the election of the taxpayer, be determined
5 by substituting—

6 “(I) such earned income for such
7 preceding taxable year, for

8 “(II) such earned income for the
9 taxable year for which such credit is
10 being determined.

11 “(ii) APPLICATION TO JOINT RE-
12 TURNS.—For purposes of clause (i), in the
13 case of a joint return, the earned income
14 of the taxpayer for the preceding taxable
15 year shall be the sum of the earned income
16 of each spouse for such taxable year.

17 “(iii) SPECIAL RULES.—

18 “(I) ERRORS TREATED AS MATH-
19 EMATICAL ERRORS.—For purposes of
20 section 6213, an incorrect use on a re-
21 turn of earned income pursuant to
22 clause (i) shall be treated as a mathe-
23 matical or clerical error.

24 “(II) NO EFFECT ON DETER-
25 MINATION OF GROSS INCOME, ETC.—

1 Except as otherwise provided in this
2 subparagraph, this title shall be ap-
3 plied without regard to any substi-
4 tution under clause (i).”.

5 (b) TREATMENT OF CERTAIN POSSESSIONS.—

6 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
7 CODE TAX SYSTEMS.—The Secretary of the Treas-
8 ury shall pay to each possession of the United States
9 which has a mirror code tax system amounts equal
10 to the loss (if any) to that possession by reason of
11 the amendment made by subsection (a). Such
12 amounts shall be determined by the Secretary of the
13 Treasury based on information provided by the gov-
14 ernment of the respective possession.

15 (2) PAYMENTS TO OTHER POSSESSIONS.—The
16 Secretary of the Treasury shall pay to each posses-
17 sion of the United States which does not have a mir-
18 ror code tax system amounts estimated by the Sec-
19 retary of the Treasury as being equal to the aggre-
20 gate benefits (if any) that would have been provided
21 to residents of such possession by reason of the
22 amendment made by subsection (a) if a mirror code
23 tax system had been in effect in such possession.
24 The preceding sentence shall not apply unless the re-
25 spective possession has a plan, which has been ap-

1 proved by the Secretary of the Treasury, under
2 which such possession will promptly distribute such
3 payments to its residents.

4 (3) MIRROR CODE TAX SYSTEM.—For purposes
5 of this subsection, the term “mirror code tax sys-
6 tem” means, with respect to any possession of the
7 United States, the income tax system of such posses-
8 sion if the income tax liability of the residents of
9 such possession under such system is determined by
10 reference to the income tax laws of the United
11 States as if such possession were the United States.

12 (4) TREATMENT OF PAYMENTS.—For purposes
13 of section 1324 of title 31, United States Code, the
14 payments under this subsection shall be treated in
15 the same manner as a refund due from a credit pro-
16 vision referred to in subsection (b)(2) of such sec-
17 tion.

18 (c) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to taxable years beginning after
20 December 31, 2021.

21 **SEC. ____ . PERMANENT ESTABLISHMENT OF CHILD TAX**

22 **CREDIT WITH MONTHLY ADVANCE PAYMENT.**

23 (a) CREDIT AMOUNT.—Subsection (a) of section 24
24 of the Internal Revenue Code of 1986 is amended by strik-
25 ing “\$1,000” and inserting “\$3,000 (\$3,600 in the case

1 of a qualifying child who has not attained age 6 as of the
2 close of the taxable year”.

3 (b) LIMITATION BASED ON ADJUSTED GROSS IN-
4 COME.—Subsection (b) of section 24 of the Internal Rev-
5 enue Code of 1986 is amended to read as follows:

6 “(b) LIMITATIONS BASED ON MODIFIED ADJUSTED
7 GROSS INCOME.—

8 “(1) INITIAL REDUCTION.—

9 “(A) IN GENERAL.—The amount of the
10 credit allowable under subsection (a) shall be
11 reduced (but not below zero) by 5 percent of
12 the excess (if any) of the taxpayer’s modified
13 adjusted gross income for the applicable taxable
14 year over the initial threshold amount in effect
15 for such applicable taxable year.

16 “(B) LIMITATION ON INITIAL REDUC-
17 TION.—The amount of the reduction under sub-
18 paragraph (A) shall not exceed the lesser of—

19 “(i) the excess (if any) of—

20 “(I) the credit allowable under
21 subsection (a) for the taxable year de-
22 termined without regard to this para-
23 graph, over

24 “(II) the amount which would be
25 described in subclause (I) if sub-

1 section (a) were applied by sub-
2 stituting ‘\$2,000’ for ‘\$3,000 (\$3,600
3 in the case of a qualifying child who
4 has not attained age 6 as of the close
5 of the taxable year)’ and subsection
6 (i) did not apply, or

7 “(ii) 5 percent of the excess of the
8 secondary threshold amount over the initial
9 threshold amount.

10 “(2) SECONDARY REDUCTION.—The amount of
11 the credit allowable under subsection (a), determined
12 after the application of paragraph (1), shall be fur-
13 ther reduced (but not below zero) by 5 percent of
14 the excess (if any) of the taxpayer’s modified ad-
15 justed gross income for the applicable taxable year
16 over the secondary threshold amount.

17 “(3) THRESHOLD AMOUNTS.—For purposes of
18 this subsection—

19 “(A) INITIAL THRESHOLD AMOUNT.—The
20 term ‘initial threshold amount’ means—

21 “(i) \$150,000, in the case of a joint
22 return or surviving spouse (as defined in
23 section 2(a)),

1 or the second preceding taxable year (as
2 specified in such election).

3 “(B) MODIFIED ADJUSTED GROSS IN-
4 COME.—The term ‘modified adjusted gross in-
5 come’ means adjusted gross income increased
6 by any amount excluded from gross income
7 under section 911, 931, or 933.”.

8 (c) INFLATION ADJUSTMENTS.—Subsection (i) of
9 section 24 of the Internal Revenue Code of 1986 is amend-
10 ed to read as follows:

11 “(i) ADJUSTMENTS FOR INFLATION.—In the case of
12 any taxable year beginning after December 31, 2024—

13 “(1) IN GENERAL.—The dollar amounts in sub-
14 section (a) and clauses (i) and (iii) of subsection
15 (b)(3)(A) shall each be increased by an amount
16 equal to—

17 “(A) such dollar amount, multiplied by

18 “(B) the percentage (if any) by which—

19 “(i) the CPI (as defined in section
20 1(f)(4)) for the calendar year preceding
21 the calendar year in which such month be-
22 gins, exceeds

23 “(ii) the CPI (as so defined) for cal-
24 endar year 2022.

1 “(2) ROUNDING.—Any increase under the pre-
2 ceding sentence—

3 “(A) which is not a multiple of \$100, in
4 the case of the amount in subsection (a), shall
5 be rounded to the nearest multiple of \$100, and

6 “(B) which is not a multiple of \$5,000, in
7 the case of the amounts in subsection (b)(3)(A),
8 shall be rounded to the nearest multiple of
9 \$5,000.”.

10 (d) QUALIFYING CHILD RULES.—

11 (1) IN GENERAL.—Subsection (c) of section 24
12 of the Internal Revenue Code of 1986 is amended to
13 read as follows:

14 “(c) QUALIFYING CHILD.—For purposes of this sec-
15 tion—

16 “(1) IN GENERAL.—The term ‘qualifying child’
17 means, with respect to any taxpayer for any taxable
18 year, an individual—

19 “(A) who has the same principal place of
20 abode as the taxpayer for more than ½ of such
21 year,

22 “(B) who is younger than the taxpayer and
23 will not, as of the close of such year, have at-
24 tained age 18,

1 “(C) who receives care from the taxpayer
2 during such year that is not compensated,

3 “(D) who is not the spouse of the taxpayer
4 at any time during such year, and

5 “(E) who either—

6 “(i) is a citizen, national, or resident
7 of the United States, or

8 “(ii) if the taxpayer is a citizen or na-
9 tional of the United States, such individual
10 is described in section 152(f)(1)(B) with
11 respect to such taxpayer.

12 “(2) CERTAIN INDIVIDUALS INELIGIBLE.—In
13 the case of an individual who is a qualifying child
14 with respect to another taxpayer for any taxable
15 year, such individual shall be treated for such tax-
16 able year as having no qualifying children.

17 “(3) CARE FROM THE TAXPAYER.—

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

1 “(i) The supervision provided by the
2 taxpayer regarding the daily activities and
3 needs of the individual.

4 “(ii) The maintenance by the taxpayer
5 of a secure environment at which the indi-
6 vidual resides.

7 “(iii) The provision or arrangement by
8 the taxpayer of, and transportation by the
9 taxpayer to, medical care at regular inter-
10 vals and as required for the individual.

11 “(iv) The involvement by the taxpayer
12 in, and financial and other support by the
13 taxpayer for, educational or similar activi-
14 ties of the individual.

15 “(v) Any other factor that the Sec-
16 retary determines to be appropriate to de-
17 termine whether the individual receives
18 care from the taxpayer.

19 “(B) DETERMINATION OF WHETHER CARE
20 IS COMPENSATED.—For purposes of deter-
21 mining if care is compensated within the mean-
22 ing of paragraph (1)(C), compensation from the
23 Federal Government, a State or local govern-
24 ment, a Tribal government, or any possession of

1 the United States shall not be taken into ac-
2 count.

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

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (D), if any individual would (but
6 for this paragraph) be a qualifying child of 2 or
7 more taxpayers for any year, such individual
8 shall be treated as the qualifying child only of
9 the taxpayer who is—

10 “(i) the parent of the individual (or, if
11 such individual would (but for this para-
12 graph) be a qualifying child of 2 or more
13 parents of the individual for such year, the
14 parent of the individual determined under
15 subparagraph (B)),

16 “(ii) if the individual is not a quali-
17 fying child of any parent of the individual
18 (determined without regard to this para-
19 graph), the specified relative of the indi-
20 vidual with the highest adjusted gross in-
21 come for the taxable year, or

22 “(iii) if the individual is neither a
23 qualifying child of any parent of the indi-
24 vidual nor a qualifying child of any speci-
25 fied relative of the individual (in both cases

1 determined without regard to this para-
2 graph), the taxpayer with the highest ad-
3 justed gross income for the taxable year.

4 “(B) TIE-BREAKER AMONG PARENTS.—If
5 any individual would (but for this paragraph)
6 be the qualifying child of 2 or more parents of
7 the individual for any year, such child shall be
8 treated only as the qualifying child of—

9 “(i) the parent with whom the child
10 resided for the longest period of time dur-
11 ing such year, or

12 “(ii) if the child resides with both par-
13 ents for the same amount of time during
14 such year, the parent with the highest ad-
15 justed gross income for the taxable year.

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

19 “(i) an ancestor of a parent of the
20 qualifying child,

21 “(ii) a brother or sister of a parent of
22 the qualifying child, or

23 “(iii) a brother, sister, stepbrother, or
24 stepsister of the qualifying child.

1 “(D) CERTAIN PARENTS OR SPECIFIED
2 RELATIVES NOT TAKEN INTO ACCOUNT.—This
3 paragraph shall be applied without regard to
4 any parent or specified relative of an individual
5 for any year if—

6 “(i) such parent or specified relative
7 elects to have such individual not be treat-
8 ed as a qualifying child of such parent or
9 specified relative for such year,

10 “(ii) in the case of a parent of such
11 individual, the adjusted gross income of
12 the taxpayer (with respect to whom such
13 individual would be treated as a qualifying
14 child after application of this subpara-
15 graph) for the taxable year is higher than
16 the highest adjusted gross income of any
17 parent of the individual for the taxable
18 year (determined without regard to any
19 parent with respect to whom such indi-
20 vidual is not a qualifying child, determined
21 without regard to subparagraphs (A) and
22 (B) and after application of this subpara-
23 graph), and

24 “(iii) in the case of a specified relative
25 of such individual, the adjusted gross in-

1 come of the taxpayer (with respect to
2 whom such individual would be treated as
3 a qualifying child after application of this
4 subparagraph) for the taxable year is high-
5 er than the highest adjusted gross income
6 of any parent and any specified relative of
7 the individual for the taxable year (deter-
8 mined without regard to any parent and
9 any specified relative with respect to whom
10 such individual is not a qualifying child,
11 determined without regard to subpara-
12 graphs (A) and (B) and after application
13 of this subparagraph).

14 “(E) TREATMENT OF JOINT RETURNS.—
15 For purposes of this paragraph, the adjusted
16 gross income of each person who files a joint re-
17 turn for the taxable year is the total adjusted
18 gross income shown on the joint return for the
19 taxable year.

20 “(F) PARENT.—Except as otherwise pro-
21 vided by the Secretary, the term ‘parent’ shall
22 have the same meaning as when used in section
23 152(c)(4).

24 “(5) TREATMENT OF TEMPORARY ABSENCES.—
25 Except as provided in regulations or other guidance

1 issued by the Secretary, for purposes of this sub-
2 section—

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

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

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

12 “(iii) not be treated as a day at any
13 other location.

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

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

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

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

4 **【“(7) ELIGIBILITY DETERMINED ON BASIS OF**
5 **PRESUMPTIVE ELIGIBILITY.—】**

6 **【“(A) IN GENERAL.—**If a period of pre-
7 sumptive eligibility is established under section
8 **【7527A(c)】** for any individual with respect to
9 any taxpayer—**】**

10 **【“(i) such individual shall be treated**
11 as the qualifying child of such taxpayer for
12 any month in such period of presumptive
13 eligibility, and**】**

14 **【“(ii) such individual shall not be**
15 treated as the qualifying child of any other
16 taxpayer with respect to whom a period of
17 presumptive eligibility has not been estab-
18 lished for any such month.**】**

19 **【“(B) ABILITY OF CREDIT CLAIMANTS TO**
20 **ESTABLISH PRESUMPTIVE ELIGIBILITY.—**Not-
21 ing in section **【7527A(c)】** shall be interpreted
22 to preclude a taxpayer from establishing a pe-
23 riod of presumptive eligibility (including any
24 such period described in section
25 **【7527A(c)(2)(D)】** with respect to any quali-

1 fying child for purposes of this section solely be-
2 cause such taxpayer affirmatively elects not to
3 receive monthly advance child payments under
4 section 7527A.”.]

5 (2) CONFORMING AMENDMENT.—The second
6 sentence of paragraph (26) of section 501(c) of such
7 Code is amended—

8 (A) by striking “any qualifying child (as
9 defined in section 24(c))” and inserting “any
10 child”, and

11 (B) by inserting before the period the fol-
12 lowing: “, but only in the case of a child who
13 is a qualifying child (as defined in section
14 152(c)) of the individual who has not attained
15 age 17 and who would be a dependent if sub-
16 paragraph (A) of section 152(b)(3) were applied
17 without regard to all that follows ‘resident of
18 the United States’”.

19 (e) FULLY REFUNDABLE CREDIT.—Subsection (d) of
20 section 24 of the Internal Revenue Code of 1986 is amend-
21 ed to read as follows:

22 “(d) CREDIT REFUNDABLE.—If the taxpayer (in the
23 case of a joint return, either spouse) has a principal place
24 of abode (determined as provided in section 32) in the
25 United States or Puerto Rico for more than ½ of the tax-

1 able year, the credit otherwise allowed under subsection
2 (a) shall be allowed under subpart C (and not allowed
3 under this subpart).”.

4 (f) RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY
5 CLAIMED CREDIT OR IMPROPERLY RECEIVED ADVANCE
6 PAYMENT.—

7 (1) IN GENERAL.—Subparagraph (A) of section
8 24(g)(1) of the Internal Revenue Code of 1986 is
9 amended by striking “this section” and inserting
10 “this section (and no payment shall be made under
11 section 7527A)”.

12 (2) CONFORMING AMENDMENTS.—

13 (A) Subparagraph (B) of section 24(g)(1)
14 of such Code is amended—

15 (i) by striking “this section” both
16 places it appears and inserting “this sec-
17 tion (or payment received under section
18 7527A)”,

19 (ii) by striking “and” at the end of
20 clause (i),

21 (iii) by striking the period at the end
22 of clause (ii) and inserting “, and”, and

23 (iv) by adding at the end the following
24 new clause:

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

7 (B) Paragraph (2) of section 24(g) of such
8 Code is amended by striking “no credit shall be
9 allowed under this section” and inserting “no
10 credit shall be allowed under this section (and
11 no payment shall be made under section
12 7527A)”.

13 (C) Subsection (g) of section 24 of such
14 Code is amended by adding at the end the fol-
15 lowing new paragraph:

16 “(3) COORDINATION WITH POSSESSIONS OF
17 THE UNITED STATES.—For purposes of this sub-
18 section, a taxpayer’s claim of credit under this sec-
19 tion (or payment received under section 7527A) in-
20 cludes a claim of credit under this section of the in-
21 come tax law of any jurisdiction other than the
22 United States (or similar payment received under
23 section 7527A of such income tax law), and a claim
24 made or a payment received from American Samoa

1 pursuant to a plan described in subsection
2 (k)(3)(B).”.

3 (g) MONTHLY ADVANCE PAYMENT OF CREDIT.—

4 (1) RECAPTURE OF EXCESS ADVANCE PAY-
5 MENTS IN CERTAIN CIRCUMSTANCES.—Subsection
6 (j) of section 24 of the Internal Revenue Code of
7 1986 is amended—

8 (A) by striking subparagraph (B) of para-
9 graph (2),

10 (B) by striking “EXCESS ADVANCE PAY-
11 MENTS.—” and all that follows through “If”
12 and inserting “EXCESS ADVANCE PAYMENTS.—
13 In the case of a taxpayer described in para-
14 graph (3) for any taxable year, if”, and

15 (C) by adding at the end the following new
16 paragraphs:

17 “(3) TAXPAYERS SUBJECT TO RECAPTURE.—

18 “(A) FRAUD OR RECKLESS OR INTEN-
19 TIONAL DISREGARD OF RULES AND REGULA-
20 TIONS.—A taxpayer is described in this para-
21 graph with respect to any taxable year if the
22 Secretary determines that the excess described
23 in paragraph (2) with respect to the taxpayer
24 for such taxable year was determined on the

1 basis of fraud or a reckless or intentional dis-
2 regard of rules and regulations.

3 “(B) UNDERSTATEMENT OF INCOME;
4 CHANGES IN FILING STATUS.—If the excess de-
5 scribed in paragraph (2) with respect to the
6 taxpayer for the taxable year was determined
7 on the basis of an amount of the taxpayer’s
8 modified adjusted gross income which was less
9 than the taxpayer’s modified adjusted gross in-
10 come for the applicable taxable year (as defined
11 in subsection (b))—

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

14 “(ii) the increase determined under
15 paragraph (2) by reason of this subpara-
16 graph shall not exceed the excess of—

17 “(I) the aggregate amount of
18 payments under section 7527A to the
19 taxpayer during the taxable year, over

20 “(II) the aggregate amount of
21 payments which would have been so
22 made if such payments had been de-
23 termined on the basis of the tax-
24 payer’s modified adjusted gross in-

1 come for the applicable taxable year
2 (as defined in subsection (b)).

3 A rule similar to the rule of the preceding
4 sentence shall apply if the excess described
5 in paragraph (2) with respect to the tax-
6 payer for the taxable year was determined
7 on the basis of a filing status of the tax-
8 payer which differs from the taxpayer's fil-
9 ing status for the applicable taxable year
10 (as so defined).

11 **【“(C) PAYMENTS MADE OUTSIDE OF PE-**
12 **RIOD OF PRESUMPTIVE ELIGIBILITY.—**If any
13 payment described in paragraph (2) with re-
14 spect to the taxpayer for the taxable year was
15 made with respect to a child for a month which
16 was not part of a period of presumptive eligi-
17 bility established under section 7527A(i) for
18 such child with respect to such taxpayer—**】**

19 **【“(i) such taxpayer shall be treated**
20 **as described in this paragraph, and】**

21 **【“(ii) the increase determined under**
22 **paragraph (2) by reason of this subpara-**
23 **graph shall not exceed the portion of such**
24 **payment so made.】**

1 “(D) CERTAIN PAYMENTS MADE AFTER
2 NOTICE FROM SECRETARY.—If the Secretary
3 notifies a taxpayer under section 7527A(d) that
4 such taxpayer is subject to recapture with re-
5 spect to any payments—

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

8 “(ii) the increase determined under
9 paragraph (2) by reason of this subpara-
10 graph shall not exceed the aggregate
11 amount of such payments.

12 “(E) TAXPAYERS MOVING TO ANOTHER
13 JURISDICTION.—To minimize the amount of ad-
14 vance payments made under section 7527A to
15 ineligible individuals, the Secretary shall issue
16 regulations or other guidance for purposes of
17 this paragraph which apply with respect to tax-
18 payers who are described in subsection (d) with
19 respect to the reference month but are not so
20 described with respect to 1 or more months
21 during the taxable year for which advance pay-
22 ments under section 7527A are made.

23 “(F) OTHER CIRCUMSTANCES TO PREVENT
24 ABUSE.—A taxpayer is described in this para-
25 graph with respect to any taxable year pursuant

1 to regulations or other guidance of the Sec-
2 retary describing other recapture circumstances
3 to facilitate the administration and enforcement
4 by the Secretary of section 7527A to minimize
5 the amount of advance payments made under
6 section 7527A to ineligible individuals and to
7 prevent abuse.

8 “(4) JOINT RETURNS.—Except as otherwise
9 provided by the Secretary, in the case of an advance
10 payment made under section 7527A with respect to
11 a joint return, half of such payment shall be treated
12 as having been made to each individual filing such
13 return.

14 “(5) COORDINATION WITH POSSESSIONS OF
15 THE UNITED STATES.—For purposes of this sub-
16 section, payments made under section 7527A include
17 payments made by any jurisdiction other than the
18 United States under section 7527A of the income
19 tax law of such jurisdiction, and advance payments
20 made by American Samoa pursuant to a plan de-
21 scribed in subsection (k)(3)(B). Any increase in tax
22 imposed on a taxpayer by reason of paragraph (2)
23 of the income tax law of a jurisdiction other than
24 the United States shall be considered to reduce the
25 aggregate amount of payments made to such tax-

1 payer by such jurisdiction. In carrying out this sec-
2 tion, the Secretary shall coordinate with each posses-
3 sion of the United States to prevent any application
4 of this paragraph that is inconsistent with the pur-
5 poses of this subsection.”.

6 (h) APPLICATION OF CREDIT IN POSSESSIONS.—

7 (1) PUERTO RICO.—Paragraph (2) of sub-
8 section (k) of section 24 of the Internal Revenue
9 Code of 1986 is amended to read as follows:

10 “(2) CROSS REFERENCES RELATED TO APPLI-
11 CATION OF CREDIT TO RESIDENTS OF PUERTO
12 RICO.—

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

15 “(B) For application of advance payment
16 to residents of Puerto Rico, see section
17 7527A(b)(1)(A).”.

18 (2) AMERICAN SAMOA.—Paragraph (3) of sub-
19 section (k) of section 24 of the Internal Revenue
20 Code of 1986 is amended—

21 (A) by striking “subsection (i)(1)” in sub-
22 paragraph (A) and inserting “subsection (d)”,

23 (B) by striking subclause (II) of subpara-
24 graph (C)(ii), and

1 (C) by striking “under subparagraph
2 (B)—” and all that follows through “subsection
3 (i)(1)” in subparagraph (C)(ii) and inserting
4 “under subparagraph (B), subsection (d)”.

5 (i) CONFORMING AMENDMENTS.—Subsection (h) of
6 section 24 of the Internal Revenue Code of 1986 is amend-
7 ed—

8 (1) by striking paragraphs (2), (3), (5), and (6)
9 and redesignating paragraphs (4) and (7) as para-
10 graphs (2) and (3), respectively,

11 (2) by striking “paragraphs (2) through (7)” in
12 paragraph (1) and inserting “paragraphs (2) and
13 (3)”,

14 (3) by striking “(after the application of para-
15 graph (2))” in subparagraph (A) of paragraph (2),
16 as so redesignated, and

17 (4) by striking “paragraph (7)” in subpara-
18 graph (C) of paragraph (2), as so redesignated, and
19 inserting “paragraph (3)”.

20 (j) REGULATIONS.—Section 24 of the Internal Rev-
21 enue Code of 1986 is amended by adding at the end the
22 following new subsection:

23 “(l) REGULATIONS.—The Secretary shall issue such
24 regulations or other guidance as the Secretary determines

1 necessary or appropriate to carry out the purposes of this
2 section, including regulations or other guidance—

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

6 “(2) to coordinate or modify the application of
7 this section and section 7527A in the case of any
8 taxpayer—

9 “(A) whose filing status for a taxable year
10 is different from the status used for deter-
11 mining one or more monthly payments under
12 section 7527A during such taxable year, or

13 “(B) whose principal place of abode for
14 any year is different from the principal place of
15 abode used for determining the monthly pay-
16 ment under section 7527A for such year.”.

17 (k) MONTHLY ADVANCE PAYMENT OF CREDIT.—

18 (1) IN GENERAL.—Subsection (a) of section
19 7527A of the Internal Revenue Code of 1986 is
20 amended by striking “for making periodic pay-
21 ments” and all that follows and inserting “for mak-
22 ing monthly payments to taxpayers equal to $\frac{1}{12}$ of
23 the annual advance amount determined with respect
24 to each such taxpayer for the calendar year.”.

1 (2) ANNUAL ADVANCE AMOUNT.—Subsection
2 (b) of section 7527A of such Code is amended—

3 (A) by striking “50 percent of” in para-
4 graph (1),

5 (B) by striking “section 24(i)(1)” each
6 place it appears in paragraphs (1), (1)(A),
7 (3)(A)(ii), and (4) and inserting “section
8 24(d)”,

9 (C) by inserting “unless determined by the
10 Secretary based on any information known to
11 the Secretary~~■~~, and subject to subsection (i)~~■~~,”
12 before “the only children” in paragraph (1)(C),

13 (D) by inserting “unless determined by the
14 Secretary based on any information known to
15 the Secretary,” before “the ages of such chil-
16 dren” in paragraph (1)(D), and

17 (E) by striking “periodic” each place it ap-
18 pears in paragraph (3)(B) and inserting
19 “monthly”.

20 (3) ON-LINE INFORMATION PORTAL.—Sub-
21 section (c) of section 7527A of such Code is amend-
22 ed to read as follows:

23 “(c) ON-LINE INFORMATION PORTAL.—

24 “(1) IN GENERAL.—The Secretary shall estab-
25 lish an on-line portal which allows taxpayers to—

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

4 “(B) provide information to the Secretary
5 which is relevant in determining the annual ad-
6 vance amount (or any modification under sub-
7 section (b)(3)(B) of such annual advance
8 amount) and the taxpayer’s eligibility for pay-
9 ments under this section, including information
10 regarding—

11 “(i) the number of the taxpayer’s
12 qualifying children, including a child born
13 during the taxable year,

14 “(ii) the taxpayer’s marital status,

15 “(iii) the taxpayer’s modified adjusted
16 gross income,

17 “(iv) the taxpayer’s principal place of
18 abode, and

19 “(v) any other factor which the Sec-
20 retary may provide.

21 “(2) AVAILABILITY IN MULTIPLE LAN-
22 GUAGES.—The Secretary shall ensure that the on-
23 line portal described in paragraph (1) is available in
24 multiple languages.”.

1 (4) APPLICATION OF ADVANCE PAYMENTS IN
2 POSSESSIONS.—

3 (A) PUERTO RICO.—Subparagraph (A) of
4 section 7527A(e)(4) of such Code is amended to
5 read as follows:

6 “(A) PUERTO RICO.—

7 “(i) For application of child tax credit
8 to residents of Puerto Rico, see section
9 24(d).

10 “(ii) For application of monthly ad-
11 vance child payments to residents of Puer-
12 to Rico, see subsection (b)(1)(A).”.

13 (B) CONFORMING AMENDMENTS.—Sub-
14 paragraph (C) of section 7527A(e)(4) of such
15 Code is amended by striking “with respect to
16 taxable years beginning in 2021” both places it
17 appears in clauses (i) and (ii) and inserting
18 “with respect to any taxable year”.

19 (5) APPLICATION OF CERTAIN RULES; EXTEN-
20 SION.—Subsection (f) of section 7527A of such Code
21 is amended to read as follows:

22 “(f) APPLICATION OF CERTAIN DEFINITIONS AND
23 RULES APPLICABLE TO CHILD TAX CREDIT.—

24 “(1) DEFINITIONS.—Except as otherwise pro-
25 vided in this section, terms used in this section

1 which are also used in section 24 shall have the
2 same respective meanings as when used in section
3 24.

4 “(2) IDENTIFICATION REQUIREMENTS.—Rules
5 similar to the rules which apply under section 24(e)
6 shall apply for purposes of this section except that
7 such rules shall apply with respect to the return of
8 tax for the reference taxable year.

9 “(3) 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 24(g).”.

14 (6) NOTICE RULE.—Subsection (d) of section
15 7527A of such Code is amended by adding at the
16 end the following: “In the case of any payments
17 made to a taxpayer which the Secretary has deter-
18 mined are subject to recapture, the notice provided
19 under paragraph (1) to such taxpayer shall include
20 the amount of such payments.”.

21 (7) NOTIFICATION OF CERTAIN EVENTS.—Sec-
22 tion 7527A of such Code is amended by redesignig-
23 nating subsection (g) as subsection (h) and by in-
24 serting after subsection (f) the following new sub-
25 section:

1 “(k) NOTIFICATION OF CERTAIN EVENTS.—With re-
2 spect to any taxpayer receiving monthly payments under
3 this section with respect to any qualifying child, the Sec-
4 retary shall, to the maximum extent practicable, provide
5 reasonable advance notice of each of the following:

6 “(1) Any month【/year】 with respect to which
7 such monthly payment will increase (relative to the
8 preceding month【/year】) by reason of an inflation
9 adjustment under section 24(i).

10 “(2) Any month【/year】 with respect to which
11 such monthly payment will be reduced (relative to
12 the preceding month【/year】) by reason of such child
13 ceasing to be a qualifying child by reason of attain-
14 ing age 18.

15 “(3) In the case of a taxpayer with a qualifying
16 child to whom the \$3,600 amount under section
17 24(a) (as adjusted under section 24(i)) applies, any
18 month with respect to which such monthly payment
19 will be reduced by reason of such child attaining age
20 6.”.

21 “(8) CONFORMING AMENDMENT.—Subsection (h)
22 of section 7527A of such Code, as redesignated by
23 paragraph (7), is amended by striking “subsections
24 (i)(1) and (j)” and inserting “subsections (d) and
25 (j)”.

1 **[(9) PRESUMPTIVE ELIGIBILITY.—**Section
2 7527A of such Code, as amended by paragraph (7),
3 is further amended by adding at the end the fol-
4 lowing new subsection:]

5 **["(i) PRESUMPTIVE ELIGIBILITY.—**

6 **["(1) IN GENERAL.—**An individual shall be
7 treated as a qualifying child of a taxpayer for pur-
8 poses of determining any monthly payment under
9 this section only if such month is part of the period
10 of presumptive eligibility determined by the Sec-
11 retary under this subsection with respect to such
12 qualifying child and such taxpayer (determined by
13 treating the month described in subclause (I) of
14 paragraph (2)(A)(ii) as being the first month begin-
15 ning after the determination described in such sub-
16 clause).]

17 **["(2) PERIOD OF PRESUMPTIVE ELIGIBILITY.—**
18 For purposes of this section—]

19 **["(A) IN GENERAL.—**Except as otherwise
20 provided by the Secretary, the term ‘period of
21 presumptive eligibility’ means the period—]

22 **["(i) beginning with the month for**
23 **which presumptive eligibility is established,**
24 **and]**

25 **["(ii) ending with the earliest of—]**

1 【“(I) the beginning of the month
2 described in clause (i) if the Secretary
3 determines that the taxpayer com-
4 mitted fraud or intentionally dis-
5 regarded rules or regulations in estab-
6 lishing or maintaining presumptive
7 eligibility,】

8 【“(II) in the case of any notifica-
9 tion from the Secretary that the pe-
10 riod of presumptive eligibility has
11 been terminated or suspended by rea-
12 son of any question regarding eligi-
13 bility of the taxpayer for monthly pay-
14 ments with respect to such child, the
15 month specified in such notice as the
16 month on which such termination or
17 suspension begins, and】

18 【“(III) the month following any
19 failure of the taxpayer to make the re-
20 quired annual renewal of presumptive
21 eligibility by such date as the Sec-
22 retary may provide.】

23 【“(B) ESTABLISHING PRESUMPTIVE ELIGI-
24 BILITY.—A taxpayer shall establish presumptive
25 eligibility with respect to any qualifying child

1 for any month at such time and in such manner
2 as the Secretary may provide. Except as other-
3 wise provided by the Secretary, in order to es-
4 tablish a period of presumptive eligibility the
5 taxpayer must express a reasonable expectation
6 and intent that the taxpayer will continue to be
7 eligible with respect to such qualifying child for
8 at least the 2 months following the month for
9 which presumptive eligibility is to be estab-
10 lished.】

11 【“(C) METHOD OF ESTABLISHING PRE-
12 SUMPTIVE ELIGIBILITY.—The Secretary shall
13 ensure information to establish presumptive eli-
14 gibility under this paragraph may be provided
15 on the return of tax for the taxable year ending
16 before the calendar year which includes the
17 month for which such eligibility is to be estab-
18 lished, through the on-line portal described in
19 subsection (c), or in such other manner as the
20 Secretary may provide.】

21 【“(D) INCLUSION OF AUTOMATIC GRACE
22 PERIODS AND PERIODS OF HARDSHIP.—The pe-
23 riod of presumptive eligibility shall include any
24 period to which subparagraph (A) or (B) of
25 paragraph (5) applies.】

1 【“(E) AUTOMATIC ELIGIBILITY FOR BIRTH
2 OF CHILD.—The Secretary shall issue regula-
3 tions or other guidance to establish procedures
4 pursuant to which, to the maximum extent ad-
5 ministratively practicable—】

6 【“(i) a parent of a child born during
7 a calendar month shall be treated as auto-
8 matically establishing presumptive eligi-
9 bility with respect to such child,】

10 【“(ii) the period of such automatic
11 presumptive eligibility is determined, and】

12 【“(iii) the first monthly payment with
13 respect to such child is adjusted 【to prop-
14 erly take into account each month in the
15 taxable year preceding such birth 【*so in*
16 *House bill*】 *should it be this?:*】 such that
17 such first monthly payment equals—】

18 【“(I) $\frac{1}{12}$ of the annual advance
19 amount with respect to such child,
20 multiplied by】

21 【“(II) the number of months in
22 the taxable year preceding the month
23 for which such first monthly payment
24 is made.】

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

5 **【“(i) based on information provided**
6 **to the Secretary by 1 or more government**
7 **entities, a parent or specified relative of a**
8 **child is treated as automatically estab-**
9 **lishing presumptive eligibility with respect**
10 **to such child, and】**

11 **【“(ii) the period for which such auto-**
12 **matic presumptive eligibility is determined**
13 **(including any additional circumstances**
14 **under which such period will terminate).】**

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

22 **【“(3) NOTICE OF TERMINATION OF PRESUMP-**
23 **TIVE ELIGIBILITY BY REASON OF FAILURE TO MAKE**
24 **ANNUAL RENEWAL.—If a taxpayer’s period of pre-**
25 **sumptive eligibility with respect to any qualifying**

1 child terminates by reason of paragraph
2 (2)(A)(ii)(III), the Secretary shall provide the tax-
3 payer a written notice of such termination.】

4 【“(4) SPECIFIED CHILD OF MORE THAN 1 TAX-
5 PAYER.—】

6 【“(A) IN GENERAL.—In the event that
7 (without regard to this subparagraph) a period
8 of presumptive eligibility with respect to the
9 same qualifying child would exist for more than
10 1 taxpayer at the same time—】

11 【“(i) except as otherwise provided in
12 this section or by the Secretary, a period
13 of presumptive eligibility shall exist only
14 respect to the taxpayer with the most re-
15 cent reference taxable year,】

16 【“(ii) the Secretary shall establish
17 procedures under which the Secretary ex-
18 peditiously adjudicates taxpayers’ com-
19 peting claims of presumptive eligibility
20 with respect to the same child, and】

21 【“(iii) the Secretary shall notify any
22 taxpayer of the termination of a period of
23 presumptive eligibility pursuant to this
24 paragraph.】

1 【“(B) PROVISIONS RELATED TO ADJU-
2 DICATION.—】

3 【“(i) EXPEDITED PROCESS; AP-
4 PEALS.—The procedures established under
5 subparagraph (A)(ii) shall include—】

6 【“(I) an expedited process for
7 taxpayers who meet such require-
8 ments as the Secretary may establish
9 for such expedited process, and】

10 【“(II) procedures for adjudi-
11 cating an appeal of an adverse deci-
12 sion.】

13 【“(ii) INFORMATION RECEIPT AND
14 COORDINATION.—The Secretary may enter
15 into agreements to receive information
16 from, and otherwise coordinate with—】

17 【“(I) Federal agencies (including
18 the Social Security Administration
19 and the Department of Agriculture),】

20 【“(II) any State, local govern-
21 ment, Tribal government, or posses-
22 sion of the United States, and】

23 【“(III) any other individual or
24 entity that the Secretary determines
25 to be appropriate for purposes of ad-

1 judicating a competing claim de-
2 scribed in subparagraph (A).】

3 【“(iii) ADJUDICATION NOT TREATED
4 AS ASSESSMENT.—An adjudication under
5 the procedures established under subpara-
6 graph (A)(ii) (including the adjudication of
7 any appeal) shall not be treated as an as-
8 sessment described in section 6201.】

9 【“(iv) ADJUDICATION NOT TREATED
10 AS INSPECTION OF TAXPAYER’S BOOKS OF
11 ACCOUNT.—The inspection of a taxpayer’s
12 books of account in connection with any
13 adjudication under the procedures estab-
14 lished under subparagraph (A)(ii) (includ-
15 ing the adjudication of any appeal) shall
16 not be treated as an examination or inspec-
17 tion of a taxpayer’s books of account for
18 purposes of section 7605(b).】

19 【“(C) RETROACTIVE PAYMENTS.—If, pur-
20 suant to the procedures established under sub-
21 paragraph (A)(ii), the Secretary determines
22 that a child is a qualifying child of a taxpayer
23 and the Secretary did not make payments to
24 such taxpayer with respect to such child for any
25 portion of the period during which the deter-

1 mination was made, the Secretary may make a
2 one-time payment to the taxpayer with respect
3 to which such child is the qualifying child in an
4 amount equal to the aggregate amount by
5 which the monthly payments to such taxpayer
6 would have increased during such period if such
7 determination had been made immediately.】

8 【“(D) RECAPTURE OF PAYMENTS.—If,
9 pursuant to the procedures established under
10 subparagraph (A)(ii), the Secretary makes pay-
11 ments with respect to the child during the pe-
12 riod during which the determination is made—
13 】

14 【“(i) the Secretary shall provide each
15 taxpayer which receives such payments no-
16 tice that such payments may be subject to
17 recapture, and】

18 【“(ii) upon making such determina-
19 tion, the Secretary shall determine on the
20 basis of the facts and circumstances of
21 each such taxpayer whether any such pay-
22 ments should be subject to recapture and
23 shall so notify each such taxpayer.】

24 【“(5) RULES RELATED TO GRACE PERIODS
25 AND HARDSHIPS.—】

1 **【“(A) AUTOMATIC GRACE PERIOD.—】**

2 **【“(i) IN GENERAL.—**Notwithstanding
3 paragraph (4), in the case of any failure or
4 delay in establishing a period of presump-
5 tive eligibility with respect to which the
6 taxpayer elects the application of this
7 clause, credit under section 24 or retro-
8 active payment under this section (similar
9 to the payment described in paragraph
10 (4)(C)) shall be allowed or made with re-
11 spect to so much of the period of such fail-
12 ure or delay as does not exceed 3 months.
13 The preceding sentence shall not apply if
14 the Secretary determines that such failure
15 or delay was due to fraud or reckless or in-
16 tentional disregard of rules and regula-
17 tions.】

18 **【“(ii) LIMITATION.—**Clause (i) shall
19 not apply with respect to any taxpayer
20 more than once during any 36-month pe-
21 riod.】

22 **【“(B) HARDSHIP.—**Notwithstanding para-
23 graph (4), if the Secretary determines that a
24 failure or delay in establishing a period of pre-
25 sumptive eligibility with respect to any quali-

1 fying child was due to domestic violence, serious
2 illness, natural disaster, or any other hardship,
3 credit under section 24 or retroactive payment
4 under this section (similar to the payment de-
5 scribed in paragraph (4)(C)) shall be allowed or
6 made with respect to so much of the period of
7 such failure or delay as does not exceed 6
8 months.”.]

9 (I) DISCLOSURE OF INFORMATION RELATING TO AD-
10 VANCE PAYMENT OF CHILD TAX CREDIT.—Section
11 6103(e) of the Internal Revenue Code of 1986 is amended
12 by adding at the end the following new paragraph:

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

15 “(A) JOINT FILERS.—In the case of an in-
16 dividual to whom the Secretary makes pay-
17 ments under section 7527A, if the reference
18 taxable year (as defined in section 7527A(b)(2))
19 that the Secretary uses to calculate such pay-
20 ments is a year for which the individual filed an
21 income tax return jointly with another indi-
22 vidual, the Secretary may disclose to such indi-
23 vidual any information which is relevant in de-
24 termining the payment under section 7527A
25 and the individual’s eligibility for such payment,

1 including information regarding any of the fol-
2 lowing:

3 “(i) The number of qualifying chil-
4 dren, including a child born during the
5 taxable year.

6 “(ii) The name and TIN of qualifying
7 children.

8 “(iii) Marital status.

9 “(iv) Modified adjusted gross income.

10 “(v) Principal place of abode.

11 “(vi) Any other factor which the Sec-
12 retary may provide pursuant to section
13 7527A(c).

14 **【(B) COMPETING CLAIMANTS.—**In the
15 case of an individual who has a competing claim
16 of presumptive eligibility with respect to a
17 qualifying child under section 7527A(i)(4)(A),
18 the Secretary may disclose to such individual
19 return information provided by another indi-
20 vidual who has a competing claim of presump-
21 tive eligibility with respect to the same quali-
22 fying child in the course of the Secretary’s ad-
23 judication of that competing claim, as well as
24 any other information considered by the Sec-
25 retary with respect to that competing claim.

1 Such information shall be limited to the items
2 specified in subparagraph (A) and the fol-
3 lowing:】

4 【“(i) Information received under any
5 agreements or coordination the Secretary
6 entered into with—】

7 【“(I) any State, local govern-
8 ment, Tribal government, or posses-
9 sion of the United States, or】

10 【“(II) any other individual or en-
11 tity that the Secretary determines to
12 be appropriate for purposes of adjudi-
13 cating a competing claim.】

14 【“(ii) Information considered by the
15 Secretary about where and with whom the
16 child resided.】

17 【“(iii) Information considered by the
18 Secretary about expenditures made by the
19 claimants to the extent such payments re-
20 late to the competing claim.”.】

21 (m) ADDITIONAL CONFORMING AMENDMENTS.—

22 (1) Section 6211(b)(4)(A) of such Code is
23 amended by striking “subsections (d) and (i)(1)”
24 and inserting “subsection (d)”.

1 (2) Section 6428(g)(3)(A) of such Code is
2 amended by striking “24(h)(7)” and inserting
3 “24(h)(3)”.

4 (3) Section 6428A(g)(4) of such Code is
5 amended by striking “24(h)(7)” and inserting
6 “24(h)(3)”.

7 (n) EFFECTIVE DATES.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2023.