



# The Earned Income Tax Credit (EITC) in the House-Passed Build Back Better Act: Summary Table

December 13, 2021

On November 19, 2021, the [House passed the Build Back Better Act](#) (BBBA; H.R. 5376). BBBA would extend the 2021 expansion of the earned income tax credit (EITC) for taxpayers *without* qualifying children for one year—2022. The EITC for taxpayers *with* qualifying children generally would not be modified by BBBA.

The EITC for taxpayers without qualifying children is sometimes referred to as the “childless” EITC. The term “childless,” however, may be misleading. While childless EITC recipients include those who *do not* have any children, they may also include workers who *do have* children, but not children that the taxpayer can claim for the EITC (e.g., they may have noncustodial children, live with children for less than six months of a year, or live with nonbiological children they cannot claim for the credit).

The EITC was only available to low-income workers *with* qualifying children when it was [enacted in the mid-1970s](#). The credit was expanded to include taxpayers without qualifying children in 1993 as part of the Omnibus Budget Reconciliation Act of 1993 (OBRA93, P.L. 103-66) to [partly offset a gasoline tax increase](#) included in the law. Prior to 2021, the childless EITC parameters had not been statutorily modified since OBRA93 (they are annually adjusted for inflation). In March 2021, the American Rescue Plan Act (ARPA, P.L. 117-2) temporarily [expanded the childless EITC for one year—2021](#)—by increasing the credit amount (with adjustments to the credit formula) and expanding eligibility to both younger and older workers without qualifying children.

The childless EITC changes included in the House-passed BBBA differ from those included in the legislation when it was [initially reported by the House Budget Committee](#) on September 27, 2021. Specifically, under the House Budget Committee bill, the ARPA expansion of the childless EITC would have been made permanent. Under the [House-passed version](#) of the BBBA, the ARPA expansion was temporarily extended for one year—2022. The Joint Committee on Taxation (JCT) estimated that a permanent extension of these changes would cost [\\$135 billion](#) over a 10-year budgetary window (FY2022-FY2031). JCT estimated a temporary one-year extension of these changes would cost [\\$13 billion](#) over the same time period (mostly incurred in FY2023, when most 2022 income tax returns will be filed).

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Major changes to the childless EITC made by the House-passed BBBA are summarized below in **Table 1**. **Table 1** is not a comprehensive accounting of every change included in the House-passed BBBA, nor does it include specific details for every proposed change. The figure following the table illustrates the credit amount by income under current law and the BBBA.

**Table 1. Selected Parameters of the Childless EITC**  
Under the House-passed Build Back Better Act (H.R. 5376)

Parameter	CURRENT LAW		PROPOSED UNDER BBBA	
	Before & After 2021	2021	2022	After 2022
	<i>permanent law, before ARPA<sup>a</sup></i>	<i>permanent law, as amended by ARPA</i>		
	(a)	(b)	(c)	(d)
<b>Maximum Credit Amount</b>	\$543 <i>adjusted for inflation</i>	\$1,502 <i>adjusted for inflation</i>	Same as 2021 (b) <i>adjusted for inflation</i>	Reverts to pre-ARPA permanent law, as scheduled (a) <i>adjusted for inflation</i>
<b>Income Range over Which Credit Phases in</b>  MFJ: married filing jointly HOH: head of household S: Single	\$0-\$7,100 MFJ \$0-\$7,100 HOH \$0-\$7,100 S	\$0-\$9,820 MFJ \$0-\$9,820 HOH \$0-\$9,820 S	Same as 2021 (b) <i>adjusted for inflation</i>	
<b>Phase-in Rate</b>	7.65%	15.3%	Same as 2021 (b)	
<b>Income Range over Which Credit Plateaus at Maximum</b>	\$7,100-\$14,820 MFJ \$7,100-\$8,880 HOH \$7,100-\$8,880 S	\$9,820-\$17,560 MFJ \$9,820-\$11,610 HOH \$9,820-\$11,610 S	Same as 2021 (b) <i>adjusted for inflation</i>	
<b>Income Range over Which Credit Phases Out</b>	\$14,820-\$21,920 MFJ \$8,880-\$15,980 HOH \$8,880-\$15,980 S	\$17,560-\$27,380 MFJ \$11,610-\$21,430 HOH \$11,610-\$21,430 S	Same as 2021 (b) <i>adjusted for inflation</i>	
<b>Phaseout Rate</b>	7.65%	15.3%	Same as 2021 (b)	

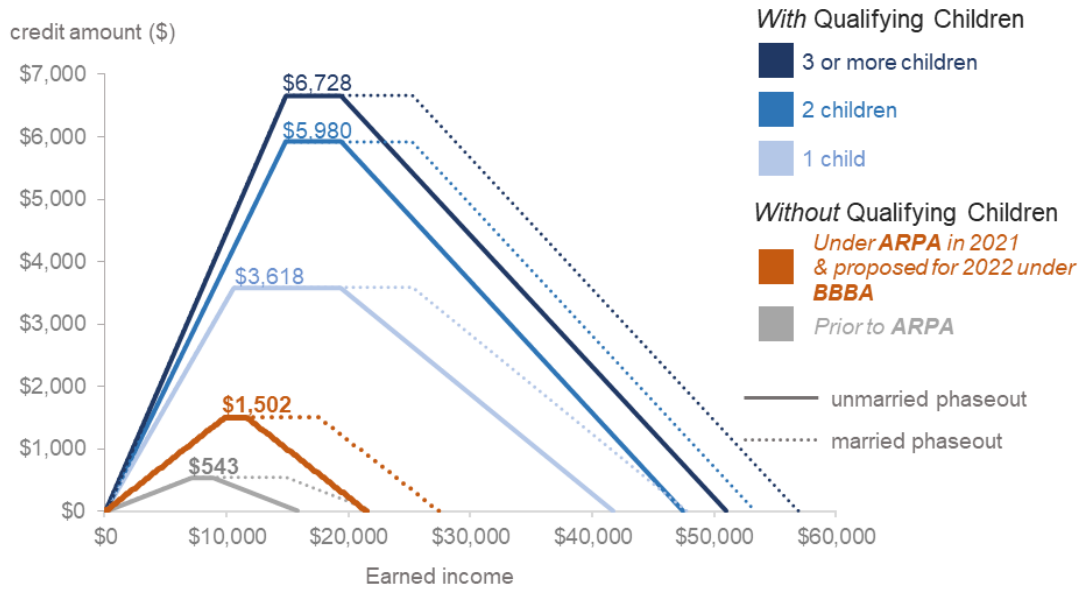
Parameter	CURRENT LAW		PROPOSED UNDER BBBA	
	Before & After 2021 <i>permanent law, before ARPA<sup>a</sup></i>	2021 <i>permanent law, as amended by ARPA</i>	2022	After 2022
	(a)	(b)	(c)	(d)
<b>Income Lookback for Phaseout</b>	No	Yes, if a taxpayer’s earned income at the end of 2021 is less than their 2019 earned income, the taxpayer can elect to use their 2019 earned income instead of their 2021 earned income in calculating their EITC.  Note: Applies to <i>both</i> those with and without qualifying children.	Yes. Under this provision, if a taxpayer’s earned income in 2022 was less than their earned income in 2021, the taxpayer could elect to use their 2021 earned income instead of their 2022 earned income in calculating their EITC.  Note: Applies to <i>both</i> those with and without qualifying children.	
<b>ID Requirement of Taxpayers</b>	Work-authorized SSN	Work-authorized SSN	Work-authorized SSN	
<b>Minimum Eligibility Age for Qualifying “Childless” Workers<sup>b</sup></b>	25	19 for most workers 24 for part-time students 18 for former foster youth and homeless youth	Same as 2021 (b)	
<b>Maximum Eligibility Age for Qualifying “Childless” Workers<sup>b</sup></b>	64	Eliminated (i.e., workers age 65 and older are eligible)	Same as 2021 (b)	
<b>Method of Receipt</b>	Credit claimed on tax return	Credit claimed on tax return	Credit claimed on tax return	

**Source:** CRS analysis of the Build Back Better Act (BBBA), as passed by the House of Representatives on November 19, 2021, [Internal Revenue Code Section 32](#), [IRS Revenue Procedure 20-45](#), and [IRS Revenue Procedure 21-23](#).

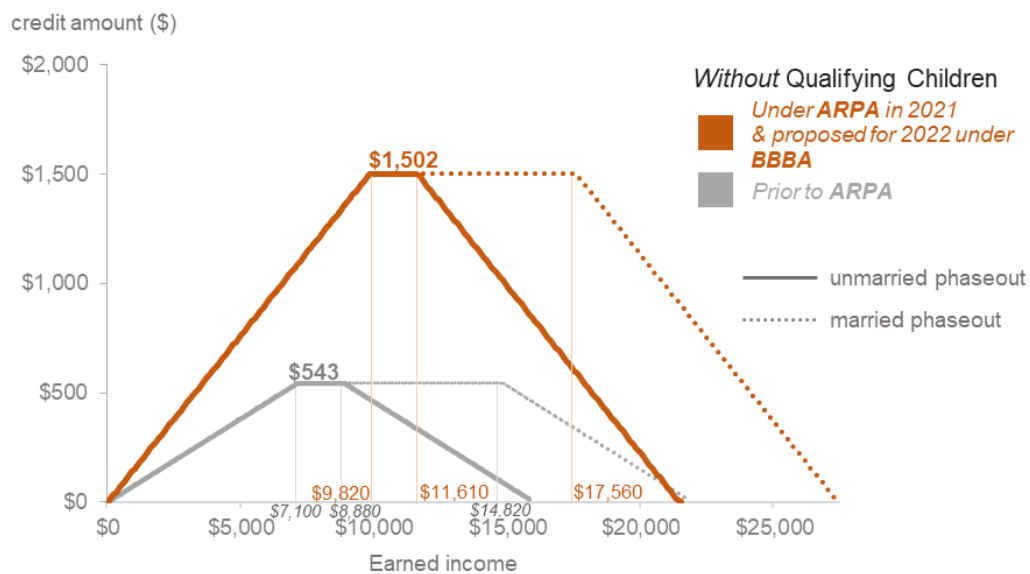
**Notes:** The House-passed BBBA would permanently provide additional funding for territorial governments to cover administrative expenses of their territorial EITCs—up to \$4 million per year for Puerto Rico and up to \$200,000 per year for the other territories—beginning in 2022.

- a. The dollar amounts in this column reflect the amounts in 2021 before ARPA and can be found in [IRS Revenue Procedure 20-45](#). Under current law, beginning in 2022, these amounts would again be in effect, but would be adjusted upward for inflation.
- b. An individual’s age for the purposes of these age limits is based on their age on the last day of the year.

## EITC Amount by Income, 2021



## Detail of Childless EITC Amount by Income, 2021



**Source:** CRS analysis of the Build Back Better Act (BBBA), as passed by the House of Representatives on November 19, 2021, Internal Revenue Code Section 32, IRS Revenue Procedure 20-45 and IRS Revenue Procedure 21-23.

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