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Noncitizen Eligibility for the Child Tax Credit: In Brief

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The child tax credit was created in 1997 (P.L. 105-34) to reduce the income tax liabilities of working families. The Tax Cuts and Jobs Act (TCJA; P.L. 115-97) made temporary changes to the eligibility requirements and the size of the child tax credit starting in tax year 2018. These changes are scheduled to expire at the end of 2025.

Prior to 2018, tax filers claiming the child tax credit could provide either individual taxpayer identification numbers (ITINs) or Social Security numbers (SSNs) for themselves and their children. Changes made in the TCJA currently require that children for whom the credit is claimed have a work-authorized SSN. Filers will be able to claim the credit by providing a work-authorized SSN or an ITIN for the child starting in tax year 2026, absent congressional action.

The relationship between taxpayer identification and immigration status is complex; some, but not all, noncitizens are eligible for work authorization and thus eligible for a work-authorized SSN. Individuals who are ineligible for a work-authorized SSN may use an ITIN for tax purposes; however, the use of an ITIN does not mean that an individual is in the United States without authorization. There is limited publicly available data on the characteristics of ITIN filers.

The TCJA enacted the change to the identification requirement described above alongside other child tax credit-related changes, including (1) increasing the maximum credit per qualifying child; (2) raising the income level at which the credit begins phasing out; (3) making the credit only partially refundable; and (4) creating a smaller, nonrefundable credit for non-child dependents. These changes are also scheduled to expire after the 2025 tax year.

Lawmakers have a range of options if they choose not to let the work-authorized SSN requirement expire as scheduled. In recent Congresses, lawmakers have introduced legislation to

- make permanent the TCJA changes to the child tax credit,
- require taxpayers claiming the child tax credit to also have work-authorized SSNs,
- require that claimants be authorized to work in the United States when claiming the credit,
- require work-authorized SSNs only for the refundable portion of the credit,
- require that only one taxpayer in a married couple filing jointly have a work-authorized SSN, or
- eliminate the work-authorized SSN requirement.

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Introduction

The child tax credit was created in 1997 (P.L. 105-34) to reduce the tax liabilities of working families. The Tax Cuts and Jobs Act (TCJA; P.L. 115-97) made temporary changes to the size of the credit and its eligibility requirements starting in tax year 2018. These changes are scheduled to expire at the end of 2025.

The TCJA requires that children for whom filers claim the credit have a work-authorized Social Security number (SSN). While the child tax credit does not have explicit citizenship requirements, this taxpayer identification (ID) requirement impacts the noncitizen population because not all noncitizens are eligible for work authorization and thus do not qualify for work-authorized SSNs.

This report outlines the connection between immigration status, work authorization, and taxpayer IDs (SSNs and individual taxpayer identification numbers [ITINs]). It explains the eligibility criteria for the child tax credit under permanent law and under the TCJA, with a special focus on criteria that impact noncitizens. It concludes with a discussion of selected recent congressional activity.

Overview of Immigration Statuses

The Immigration and Nationality Act (INA; P.L. 82-414)¹ provides for the admission of foreign nationals (also referred to as “aliens” or “noncitizens” in federal law and throughout this report) to the United States. Some foreign nationals are admitted permanently, primarily through the family- or employment-based immigrant system,² and receive lawful permanent resident (LPR) status (commonly referred to as obtaining a *green card*). Others are admitted as refugees or are granted asylum³ and can later obtain LPR status. Still others are admitted temporarily for specific purposes as nonimmigrants (e.g., tourists, students, temporary workers).⁴ Some foreign nationals are present in the United States in violation of the INA but may be granted discretionary reprieves from removal (e.g., Deferred Action for Childhood Arrivals [DACA]).⁵ In addition, some foreign nationals are present in the United States in violation of the INA and without authorization (sometimes referred to as *undocumented*); they may have entered without inspection, entered with fraudulent documents, or entered legally but overstayed the terms of their temporary visas.⁶

¹ The INA is codified, as amended, at 8 U.S.C. §§1101 et seq.

² For more information, see CRS Report R42866, *Permanent Legal Immigration to the United States: Policy Overview*.

³ Refugees and asylees are foreign nationals who flee their countries because of persecution, or a well-founded fear of persecution, on account of race, religion, nationality, membership in a particular social group, or political opinion. They are permitted to live in the United States indefinitely. What differentiates refugees from asylees is that refugee applicants are located outside the United States, while applicants for asylum are physically present in the United States or at a land border or port of entry. For more information, see CRS Report RL31269, *Refugee Admissions and Resettlement Policy* and CRS Report R45539, *Immigration: U.S. Asylum Policy*.

⁴ For more information, see CRS Report R45040, *Immigration: Nonimmigrant (Temporary) Admissions to the United States*.

⁵ For more information, see CRS Report R45995, *Unauthorized Childhood Arrivals, DACA, and Related Legislation*.

⁶ For more information, see CRS Report R47218, *Unauthorized Immigrants: Frequently Asked Questions*.

Noncitizens and Federal Tax Liability

The individual income tax applies to income “from whatever source derived” unless explicitly excluded in the U.S. Internal Revenue Code.⁷ Similarly, payroll taxes generally apply to the wages of all employees, and there is no explicit exception based on immigration status.⁸

Noncitizens may be subject to U.S. income taxes when, for example, they work in the United States or when they live abroad but have U.S.-source income. Noncitizens who may be subject to U.S. income taxes include the following:

- LPRs who are authorized to live and work in the United States permanently (*immigrants*);
- noncitizens who are authorized to stay in the United States temporarily, and may or may not be authorized to work (*nonimmigrants*);⁹
- noncitizens who are not authorized to be in the United States (referred to as “unauthorized noncitizens” in this report); and
- foreigners who reside outside of the United States but have U.S. tax obligations.

Selected Terms Concerning Noncitizens and Federal Income Taxes

Resident vs. Nonresident Alien

The Internal Revenue Code does not use terms such as *immigrant* and *nonimmigrant*. Instead, for federal tax purposes, a noncitizen is classified as a “resident alien” or “nonresident alien,” regardless of whether they are in the United States permanently or temporarily, lawfully or unlawfully,¹⁰ as determined by a *substantial presence test*. This classification is for federal tax purposes only and does not affect the individual’s immigration status. Resident and nonresident aliens are generally taxed differently and are subject to different tax filing requirements.

Substantial Presence Test

To be considered a resident alien for tax purposes, an individual must pass the substantial presence test, which means being physically present in the United States for at least 31 days during the current year and at least 183 days during the current and previous two years (counting all the qualifying days in the current year, one-third of the days in the immediate preceding year, and one-sixth of the days in the earliest year).¹¹ There are numerous exceptions that result in individuals who pass the substantial presence test still being classified as nonresident aliens for tax purposes. For example, “exempt individuals” such as many foreign students, teachers, diplomats, and au pairs do not need to count their time spent in the United States towards the substantial presence test and are therefore generally considered nonresident aliens.¹² In addition, a noncitizen who passes the substantial presence

⁷ 26 U.S.C. §1.

⁸ 26 U.S.C. §§3101, 3111, 3121, 3301, 3306, 3201, 3221, 3321, 1401, and 1402.

⁹ Exceptions apply in limited circumstances. For example, payroll taxes generally do not apply to wages for those employed in the United States by a foreign government or to lawfully admitted foreign temporary agricultural workers. See 26 U.S.C. §3121.

¹⁰ Noncitizens who are in the country unlawfully generally do not have a special designation under the Internal Revenue Code. Rather, they are categorized in the same manner as all other noncitizens: as either a resident or nonresident alien. Hence, for example, an unlawfully present alien who resides in the United States for sufficient time to meet the substantial presence test would generally be considered a resident alien. This classification is for federal tax purposes only. For more information, see CRS Report R43840, *Federal Income Taxes and Noncitizens: Frequently Asked Questions*.

¹¹ Internal Revenue Service (IRS), “Substantial Presence Test,” <https://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>.

¹² 26 U.S.C. §7701(b). Also see IRS, “Substantial Presence Test,” <https://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>.

test can still be deemed a nonresident alien if they have a closer connection to a foreign country than to the United States.¹³

Taxpayer ID and Immigration Status

The Internal Revenue Service (IRS) requires that all individuals, regardless of immigration status, have a taxpayer identification number to file their federal tax returns, pay taxes, and otherwise comply with federal tax law. For many noncitizens, their taxpayer ID will be an SSN (see below). Those who are ineligible for an SSN are required to use an ITIN instead (see below).

Social Security Numbers (SSNs) and Noncitizens

An SSN is a unique nine-digit number issued by the Social Security Administration (SSA) to U.S. citizens and certain noncitizens who meet applicable requirements.¹⁴ The SSN and accompanying card are issued free of charge.¹⁵

Noncitizens with current employment authorization from the U.S. Department of Homeland Security (DHS), including certain children, may obtain an SSN that indicates their employment authorization status at the time of their initial or subsequent SSN application; this is known as a “work-authorized SSN.”¹⁶ (Work-authorized SSNs are also issued to U.S. citizens, including children.¹⁷) Noncitizens who are ineligible for a work-authorized SSN because they are not authorized by DHS to work in the United States but who need an SSN to receive certain public benefits or services may qualify for a “non-work SSN” under certain conditions.¹⁸ Both types of SSNs do not expire and may not indicate a person’s current citizenship, immigration, or employment authorization status. In FY2023, SSA issued nearly 2.9 million original (i.e., new) SSNs to noncitizens, of which more than 2.6 million were work-authorized SSNs and about 261,000 were non-work SSNs.¹⁹

Employment Authorization for Noncitizens

In general, noncitizens fall into one of four categories with respect to employment authorization (also referred to as *work authorization*):

¹³ IRS, “Closer connection exception to the substantial presence test,” <https://www.irs.gov/individuals/international-taxpayers/closer-connection-exception-to-the-substantial-presence-test>.

¹⁴ Social Security Act, §205(c)(2) (42 U.S.C. §405(c)(2)). See also 20 C.F.R. §§422.103-422.110 and SSA, Program Operations Manual System (POMS), “RM 102: The Social Security Number, Policy and General Procedures,” <https://secure.ssa.gov/apps10/poms.nsf/subchapterlist!openview&restrictcategory=01102>.

¹⁵ SSA, “What does it cost to get a Social Security card?,” <https://faq.ssa.gov/en-us/Topic/article/KA-02029>.

¹⁶ Social Security Act, §205(c)(2)(B)(i) (42 U.S.C. §405(c)(2)(B)(i)) and 20 C.F.R. §§422.104(a)(2), 422.105, and 422.107(e). See also CRS Report R47483, *Noncitizen Eligibility for Employment Authorization and Work-Authorized Social Security Numbers (SSNs)*; and SSA, *Social Security Numbers for Noncitizens*, April 2023, <https://www.ssa.gov/pubs/EN-05-10096.pdf>.

¹⁷ See CRS Report R47483, *Noncitizen Eligibility for Employment Authorization and Work-Authorized Social Security Numbers (SSNs)*; and SSA, “Types of Social Security Cards,” <https://www.ssa.gov/ssnumber/cards.htm>.

¹⁸ Social Security Act, §205(c)(2)(B)(i) (42 U.S.C. §405(c)(2)(B)(i)) and 20 C.F.R. §§422.104(a)(3)-(b) and 422.107(e). See also SSA, POMS, “RM 10211.610 Valid Reasons to Assign an SSN for Nonwork Purposes,” February 7, 2024, <https://secure.ssa.gov/apps10/poms.nsf/lnx/0110211610>; SSA, POMS, “RM 10211.615 Invalid Nonwork Reasons for SSN Assignment,” February 7, 2024, <https://secure.ssa.gov/apps10/poms.nsf/lnx/0110211615>; and SSA, *Social Security Numbers for Noncitizens*, April 2023, <https://www.ssa.gov/pubs/EN-05-10096.pdf>.

¹⁹ Unpublished data provided to CRS by SSA on March 4, 2024.

1. noncitizens who, by virtue of their age and immigration status, can work anywhere in the United States for any employer (e.g., LPRs, refugees, asylees);
2. noncitizens who are authorized to work for a specific employer (e.g., H-2A temporary agricultural workers, who must work for the employer that petitioned for their visa);
3. aliens who must apply for employment authorization, which is granted at the discretion of DHS and may include restrictions (e.g., DACA recipients, the spouses of certain nonimmigrant temporary workers); and
4. aliens who are ineligible for employment authorization (e.g., tourists, unauthorized noncitizens).²⁰

U.S. Citizenship and Immigration Services (USCIS), a component of DHS, issues Employment Authorization Documents (EADs) to certain noncitizens as evidence that they are authorized to work in the United States.²¹ According to USCIS, “there are no age restrictions for requesting [an EAD]; the EAD functions as an identity document for some noncitizens.”²²

Individual Taxpayer Identification Numbers (ITINs)

Since 1996, the IRS has issued ITINs to those who have a tax filing obligation but are not eligible for an SSN.²³ ITINs are for federal tax purposes only, and they enable noncitizens without SSNs to comply with federal tax law. ITINs offer no legal status in the United States, only the logistical ability to file one’s taxes. While an SSN cannot expire (even if an individual’s work authorization does), an ITIN expires if its holder does not use it to file an income tax return for three consecutive years after the IRS issues it.²⁴

Immigration Status and Tax IDs

The relationship between taxpayer IDs and immigration status is not clear-cut. The use of an ITIN does not necessarily indicate a taxpayer’s immigration status. There is limited publicly available data on the characteristics of ITIN filers. In 2010, the Taxpayer Advocate Service said that “the preponderance of ITIN applications from resident aliens employed in the U.S. represent

²⁰ 8 C.F.R. §274a.12. See also CRS Report R47483, *Noncitizen Eligibility for Employment Authorization and Work-Authorized Social Security Numbers (SSNs)*.

²¹ LPRs do not need EADs, as their green cards are proof of employment authorization. Similarly, aliens who are authorized to work for a specific employer do not need an EAD; they can use their I-94 Arrival/Departure Record and nonimmigrant visa, which includes the employer’s name. Refugees and asylees can use their I-94 Arrival/Departure Record as proof of employment authorization, but they will typically be issued an EAD as well. (Asylees’ and refugees’ I-94 Arrival/Departure Record cards have a red stamp indicating work authorization.) Other noncitizens (i.e., those who are authorized to work by virtue of their immigration status or because they requested employment authorization from DHS) generally must apply for and be granted an EAD before they may work in the United States. DHS, USCIS, “Employment Authorization Document,” <https://www.uscis.gov/green-card/green-card-processes-and-procedures/employment-authorization-document>.

²² DHS, USCIS, “Policy Manual, Volume 10 - Employment Authorization, Part A - Employment Authorization Policies and Procedures, Chapter 2 - Eligibility Requirements,” at <https://www.uscis.gov/policy-manual/volume-10-part-a-chapter-2>.

²³ For more on ITINs, see IRS, “Individual Taxpayer Identification Number,” August 19, 2024, <https://www.irs.gov/individuals/individual-taxpayer-identification-number>; and IRS, “Additional ITIN Information,” August 19, 2024, <https://www.irs.gov/individuals/additional-itin-information>.

²⁴ 26 U.S.C. §6109(i)(3).

applications from foreign nationals working in the U.S. illegally.”²⁵ Some noncitizens who file taxes using ITINs may be in the country lawfully on a nonimmigrant visa but are not eligible to work (and thus not eligible for a work-authorized SSN) because they are a spouse or child of the principal visa holder.²⁶ Others may be unlawfully present in the country. Conversely, some unlawfully present noncitizens may file using a work-authorized SSN they lawfully received in the past (e.g., they may have been lawfully present and authorized to work but overstayed their authorized period of admission).²⁷ Thus, taxpayer IDs cannot be used to determine an individual’s immigration status in all cases.

Interagency Information Sharing: Taxpayer IDs

Long-standing privacy laws prohibit the IRS from sharing taxpayers’ returns or return information, including their use of an ITIN, with other federal agencies absent an order from a federal judge.²⁸ Further, it may be disadvantageous for the IRS’s revenue collection and taxpayer service goals to engage in immigration enforcement. Reporting those who use ITINs to other federal agencies could discourage those in the United States without authorization from meeting their legal tax responsibilities or from claiming any refunds they may be due.

Child Tax Credit

The Taxpayer Relief Act of 1997 (P.L. 105-34) introduced the child tax credit to reduce the tax liabilities of working families. Congress has altered the credit several times in the years since, primarily by expanding its size and eligibility criteria.²⁹ In late 2017, Congress substantially reformed the credit as part of the Tax Cuts and Jobs Act (TCJA; P.L. 115-97). The law generally expanded the size of and eligibility criteria for the credit while limiting the amount that low-income households could receive as a tax refund. However, the TCJA also contracted eligibility by requiring that families provide work-authorized SSNs for the children used to claim the credit (see the “Taxpayer ID Requirements for the Child Tax Credit” section). The TCJA scheduled all these changes to expire at the end of 2025.³⁰

Child Tax Credit Eligibility Criteria

Under both the TCJA and permanent law, filers can only claim the child tax credit for children who are (1) under age 17, (2) claimed as dependents on the filers’ tax returns, and (3) “qualifying children” for purposes of dependency status. A qualifying child must be the filer’s son, daughter, stepchild, adopted child, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of one of these (e.g., grandchild, niece, nephew). Additionally, qualifying children must not provide more than half of their own financial support during the year; if married, must not file a joint return with their spouse (or file it only to claim a refund of

²⁵ National Taxpayer Advocate, *2010 Annual Report to Congress*, vol. 1, December 31, 2010, p. 327, https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/ARC10_Volume1.pdf#page=345.

²⁶ For more information, see CRS Report R47483, *Noncitizen Eligibility for Employment Authorization and Work-Authorized Social Security Numbers (SSNs)*.

²⁷ For more information on overstays, see CRS Report R47848, *Nonimmigrant Overstays: Overview and Policy Issues*.

²⁸ 26 U.S.C. §6103(a) and (i).

²⁹ For a complete legislative history of the credit, see CRS Report R45124, *The Child Tax Credit: Legislative History*.

³⁰ For more information, see CRS Report R47846, *Reference Table: Expiring Provisions in the “Tax Cuts and Jobs Act” (TCJA, P.L. 115-97)*.

withheld tax or estimated tax paid); and must be U.S. citizens, nationals, or residents. Generally, children must also live with the taxpayer for more than half the year.³¹

Taxpayer ID Requirements for the Child Tax Credit

Prior to enactment of the TCJA changes in 2018, filers claiming the child tax credit could provide either ITINs or SSNs for themselves and the children for whom they claimed the credit. The TCJA requires that children for whom the credit is claimed have a work-authorized SSN.³² No similar requirement was placed on the tax filers themselves. According to some lawmakers, the work-authorized SSN requirement is intended to prevent unauthorized noncitizens from claiming the child tax credit.³³ This is a temporary change in effect from 2018 through the end of 2025. Absent any legislative changes, ITINs and SSNs (both work-authorized SSNs and non-work SSNs) will serve as valid taxpayer IDs for qualifying children beginning in 2026.

Requiring a work-authorized SSN to claim a tax benefit has precedent. The fully refundable earned income tax credit generally requires that claimants provide work-authorized SSNs for everyone in their household, including earners and dependents.³⁴ No other individual income tax benefits require a work-authorized SSN.

Other Child Tax Credit Changes in the TCJA

The TCJA made various changes to the child tax credit (summarized in **Table 1**), all of which are scheduled to expire at the end of 2025. The law increased the maximum value of the credit per child from \$1,000 to \$2,000. It made the credit *partially* rather than *fully* refundable: in 2024 and 2025, households may receive up to \$1,700 per child as a tax refund if their credit exceeds their income tax liability. This level is adjusted annually for inflation. The TCJA also raised the income thresholds at which the credit begins to phase out, meaning some taxpayers whose income was previously too high to qualify for the credit can now receive it. The TCJA scheduled the credit to revert to its pre-2018 parameters from tax year 2026 onward.

Table 1. Child Tax Credit Parameters Under Current Law

Parameter	Through 2025	2026 Onward
Identification Requirement	Parent must have a taxpayer identification number (SSN or ITIN); child must have a work-authorized SSN	Parent and child must have a taxpayer identification number (SSN or ITIN)
Maximum Credit per Qualifying Child	\$2,000	\$1,000

³¹ Children remain qualifying children for purposes of dependency status if they are away from home for temporary reasons due to special circumstances, such as illness, education, military service, business, or vacation. A dependent who is born or dies at any time during the year is considered to have lived with the taxpayer for the full year, provided other conditions are met. In cases where parents are divorced or legally separated, a custodial parent (with whom the child lives for more than half the year) may transfer the dependency status of the child to the noncustodial parent, allowing the noncustodial parent to claim the child as a dependent and thereby receive the child tax credit.

³² 26 U.S.C. §24(h)(7).

³³ See, for example, Rep. Luke Messer, “Pass Tax Cuts for the American People,” remarks in the House, *Congressional Record*, daily edition, vol. 163, part 159 (October 4, 2017), p. H7763, <https://www.congress.gov/congressional-record/volume-163/issue-159/house-section/article/H7763-4>; and Rep. Jason Smith, “Tax Relief for American Families and Workers Act of 2024,” House debate, *Congressional Record*, daily edition, vol. 170, part 18 (January 31, 2024), p. H357, <https://www.congress.gov/congressional-record/volume-170/issue-18/house-section/article/H343-2>.

³⁴ For more information, see CRS Report R43805, *The Earned Income Tax Credit (EITC): How It Works and Who Receives It*.

Parameter	Through 2025	2026 Onward
Maximum Refundable Credit per Qualifying Child	\$1,700 in 2024 and 2025; adjusted annually for inflation	Fully refundable
Refundable Credit Calculation	15% of earned income above \$2,500	15% of earned income above \$3,000
Phaseout Calculation	Credit's value declines by 5% of a taxpayer's adjusted gross income that exceeds: \$400,000 Married Filing Jointly \$200,000 Head of Household \$200,000 Single	Credit's value declines by 5% of a taxpayer's adjusted gross income that exceeds: \$110,000 Married Filing Jointly \$75,000 Head of Household \$75,000 Single
Credit for Non-Child Dependents	\$500 nonrefundable credit	None

Sources: Internal Revenue Code (IRC) §24; IRS Revenue Procedures 2023-34 and 2024-40.

Note: Under both permanent law and the TCJA's parameters, a child qualifying for the child tax credit must also be a qualifying child for purposes of dependency status under IRC Section 152(c) and must be a citizen, national, or resident of the United States.

Other Changes Relevant to Families With Children Without SSNs

The TCJA's expansion of the child tax credit for families with children who do not have work-authorized SSNs offset the suspension of another child-related tax benefit—personal exemptions for dependents—that families could claim before 2018.³⁵ Personal exemptions were deductions that taxpayers could claim for each person in their household, including dependents. The personal exemption amount was scheduled to be \$4,150 in 2018 (adjusted annually for inflation), before its suspension through the end of tax year 2025.

The suspension of personal exemptions for dependents raised the *taxable incomes* of taxpayers with dependents, including taxpayers whose children do not have work-authorized SSNs. Such families do not benefit from the larger child tax credit that offset much or all of this loss, nor can they receive the smaller child tax credit that existed before 2018.

The TCJA also created a \$500 nonrefundable credit for other dependents. This credit is available to those who have dependents who do not qualify for the child tax credit, including children who do not have work-authorized SSNs. The credit for other dependents is scheduled to expire after tax year 2025.

Impact of TCJA Changes to the Child Tax Credit

The Tax Policy Center (TPC) estimated that roughly 48 million households received the child tax credit or the credit for other dependents in tax year 2022 (the most recent year it has estimated).³⁶ TPC also estimated that roughly 30 million households will receive the child tax credit after these changes expire in 2026.³⁷ Fewer households will qualify for the credit if its income threshold reverts to pre-2018 levels. Many of those who are scheduled to lose eligibility for the child tax

³⁵ Prior to 2018, taxpayers could claim both a personal exemption for their child and the child tax credit, provided their child qualified for each benefit.

³⁶ Tax Policy Center, "Tax Benefit of the Child Tax Credit (CTC), Baseline: Current Law, Distribution of Federal Tax Change by Expanded Cash Income Level, 2022," T22-0241, December 28, 2022.

³⁷ Ibid.

credit would regain eligibility for personal exemptions for their dependents (as would those who continue to qualify for the child tax credit).

The Joint Committee on Taxation (JCT) estimated in December 2017 that implementing the child tax credit's work-authorized SSN requirement alongside the TCJA's other changes would reduce deficits by \$29.9 billion from FY2018-FY2027.³⁸ In May 2024, the JCT projected that extending all of the TCJA's child tax credit changes through 2035 would increase deficits (before accounting for the costs of servicing the additional debt) by \$748 billion, but that extending the work-authorized SSN requirement would offset \$12 billion (2%) of this loss.³⁹ CRS estimates that, based on JCT's figures, the work-authorized SSN requirement reduces the fiscal cost of the child tax credit (including credit provisions predating the TCJA) and the credit for other dependents by roughly 1%.⁴⁰

Selected Recent Congressional Activity

Lawmakers have proposed a variety of reforms to the child tax credit's work-authorized SSN requirement. This section provides a summary of the major proposals introduced in federal legislation since enactment of the TCJA, with recent examples of legislation that would enact each proposal. This list is not comprehensive: it does not include all legislation that would make a change to the requirement, nor does it include every version of a bill that has been introduced in multiple chambers or in multiple sessions of Congress. Some legislation mentioned may also include multiple changes to the taxpayer ID requirement. The list is intended to illustrate the range of proposals lawmakers have introduced since passage of the TCJA.⁴¹

Since the TCJA was passed in 2017, multiple pieces of legislation have been introduced that would make permanent that law's work-authorized SSN requirement for the child tax credit. Some bills, such as S. 1226 and the TCJA Permanency Act (H.R. 976) in the 118th Congress, would do so in the context of making permanent all or most of the temporary individual income tax provisions in the TCJA. Others, such as the Providing for Life Act of 2023 (S. 74; 118th Congress), would do so while changing other parameters of the child tax credit.

Lawmakers have proposed requiring that taxpayers claiming the child tax credit (i.e., the adults claiming the credit, not only the child for whom the credit is claimed) also have work-authorized SSNs. Such legislation includes the Safeguarding American Workers' Benefits Act (H.R. 7991; 118th Congress) and the Removing Waste and Protecting Medicare Act (H.R. 6144; 117th Congress). Other legislation proposes this as well but would make certain exceptions. For example, the Child Tax Credit Integrity Act (H.R. 7813; 118th Congress), would allow married couples filing jointly with at least one spouse in the Armed Forces to claim the credit even if only one spouse has a work-authorized SSN. Other bills, such as the Family Security Act (S. 5256; 118th Congress), would generally require that one taxpayer in a married couple filing jointly have a work-authorized SSN.

³⁸ Joint Committee on Taxation, *Estimated Budget Effects Of The Conference Agreement For H.R.1, The Tax Cuts And Jobs Act*, JCX-67-17, December 18, 2017, p. 1, <https://www.jct.gov/publications/2017/jcx-67-17/>.

³⁹ Congressional Budget Office (CBO), *Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues*, May 8, 2024, "Supplemental Data," <https://www.cbo.gov/publication/60114>.

⁴⁰ CRS analysis of Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2023-2027*, JCX-59-23, December 7, 2023; and CBO, *Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues*, May 8, 2024, <https://www.cbo.gov/publication/60114>.

⁴¹ In cases where lawmakers introduced identical or similar legislation in multiple Congresses, the most recent version of the legislation is listed. Some legislation may also have companion legislation in the opposite chamber. Congressional clients may contact the authors for more information on legislation related to the proposed reforms.

Lawmakers may also seek to require not only that the taxpayer's SSN be work-authorized when it was issued but also that claimants be authorized to work in the United States at the time of claiming the credit. Legislation from the 118th Congress that would do so includes the WALL Act of 2024 (H.R. 7229).

Other legislation has had more limited scope. For example, some bills would require that filers include their own work-authorized SSN only to claim the refundable portion of the credit, meaning that taxpayers without work-authorized SSNs could still claim the child tax credit as though it were a nonrefundable credit. Examples of such bills from the 117th Congress include the Refundable Child Tax Credit Eligibility Verification Reform Act (H.R. 663) and the EITC and ACTC Eligibility Verification Act (H.R. 4482).

Some legislation would extend the child tax credit to new populations. For example, the Child Tax Credit for Pregnant Moms Act of 2023 (S. 2092; 118th Congress) would extend the child tax credit to families who experienced a miscarriage or a stillbirth, provided at least one of the taxpayers has a work-authorized SSN.

Lawmakers have also proposed eliminating the TCJA's work-authorized SSN requirement for children before its scheduled expiration at the end of 2025. Bills that would do so include the American Family Act (H.R. 3899; 118th Congress) and the PRO-LIFE Act of 2022 (H.R. 8862; 117th Congress). Other legislation, such as the End Child Poverty Act (H.R. 6598; 117th Congress), would replace the child tax credit with a new benefit that would not require the child for whom it is claimed to have a work-authorized SSN.

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