

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 438

To amend the Internal Revenue Code of 1986 to deny the earned income credit to illegal aliens and to prevent fraudulent claims for the earned income credit.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 1995

Mr. HAYES (for himself and Mr. MCCRERY) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to deny the earned income credit to illegal aliens and to prevent fraudulent claims for the earned income credit.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Illegal Alien Credit  
5 Denial Act”.

6 **SEC. 2. DENIAL OF EARNED INCOME CREDIT TO ILLEGAL**  
7 **ALIENS.**

8 (a) IN GENERAL.—Paragraph (1) of section 32(c) of  
9 the Internal Revenue Code of 1986 (defining eligible indi-

1 vidual) is amended by adding at the end the following new  
2 subparagraph:

3 “(F) EXCEPTION FOR ILLEGAL ALIENS.—  
4 The term ‘eligible individual’ does not include  
5 any individual who is an illegal alien as of the  
6 close of the taxable year.”

7 (b) ILLEGAL ALIEN DEFINED.—Section 32(c) of  
8 such Code (relating to definitions and special rules) is  
9 amended by adding at the end the following new para-  
10 graph:

11 “(5) ILLEGAL ALIEN.—

12 “(A) IN GENERAL.—The term ‘illegal  
13 alien’ means an individual who is not—

14 “(i) a citizen or national of the United  
15 States, or

16 “(ii) an alien permanently residing in  
17 the United States under color of law.

18 “(B) ALIEN PERMANENTLY RESIDING IN  
19 THE UNITED STATES UNDER COLOR OF LAW.—  
20 For purposes of subparagraph (A), the term  
21 ‘alien permanently residing in the United States  
22 under color of law’ means an alien lawfully ad-  
23 mitted for permanent residence (within the  
24 meaning of section 101(a)(20) of the Immigra-

1 tion and Nationality Act), and includes any of  
2 the following:

3 “(i) An alien who is admitted as a ref-  
4 ugee under section 207 of the Immigration  
5 and Nationality Act.

6 “(ii) An alien who is granted asylum  
7 under section 208 of such Act.

8 “(iii) An alien whose deportation is  
9 withheld under section 243(h) of such Act.

10 “(iv) An alien who is admitted for  
11 temporary residence under section 210,  
12 210A, or 245A of such Act.

13 “(v) An alien who has been paroled  
14 into the United States under section  
15 212(d)(5) of such Act for an indefinite pe-  
16 riod or who has been granted extended vol-  
17 untary departure as a member of a nation-  
18 ality group.

19 “(vi) An alien who is the spouse or  
20 unmarried child under 21 years of age of  
21 a citizen of the United States, or the par-  
22 ent of such a citizen if the citizen is over  
23 21 years of age, and with respect to whom  
24 an application for adjustment to lawful  
25 permanent residence is pending.”

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 1994.

4 **SEC. 3. VERIFICATION OF IDENTITY OF INDIVIDUALS**  
5 **CLAIMING EARNED INCOME CREDIT.**

6 (a) IN GENERAL.—Section 32 of the Internal Reve-  
7 nue Code of 1986 (relating to earned income credit) is  
8 amended by adding at the end the following new sub-  
9 section:

10 “(k) VERIFICATION OF TAXPAYER IDENTIFICATION  
11 NUMBERS.—No credit shall be allowed under subsection  
12 (a) to any taxpayer unless the Secretary has verified that  
13 the taxpayer identification numbers of the taxpayer and  
14 any qualifying children set forth on the return claiming  
15 the credit are valid.”

16 (b) EFFECTIVE DATE.—The amendment made by  
17 subsection (a) shall take effect as if included in the  
18 amendments made by section 742 of the Uruguay Round  
19 Agreements Act.

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