To amend the Internal Revenue Code of 1986 to establish a refundable child tax credit with monthly advance payment.
TRONE, Ms. McCollum, Ms. Lofgren, Mr. Castro of Texas, Mrs. Fletcher, Mr. Garamendi, Mr. Carbaajal, Ms. Leger Fernandez, Ms. Taliah, Mr. Beyer, Mrs. Trahan, Mr. Himes, Mr. Costa, Ms. Escobar, Mrs. Napolitano, Mr. Ruppersberger, Mr. Jeffries, Ms. Eshoo, Mr. Bishop of Georgia, Mr. Scott of Virginia, Mrs. Dingell, Mr. Quigley, Mr. Gallego, Ms. Blunt Rochester, Mr. Davis of North Carolina, Mr. Clyburn, Mr. Aguilar, Ms. Clark of Massachusetts, Ms. Scholten, Ms. Adams, Ms. Sherrill, Mr. Jackson of Illinois, Ms. Kamlager-Dove, Mrs. Ramirez, Mr. Thompson of Mississippi, Mr. Meeks, Mrs. Torres of California, Mr. Cartwright, Mr. Mfume, Mr. Connolly, Mr. Vasquez, Ms. Wild, Ms. Matsui, Mr. Mirvans, Mr. Takano, Ms. Jackson Lee, Mr. Hoyer, Mr. Case, Mr. Correa, Mr. Crow, Mr. Cuellar, Ms. DeGette, Ms. Houlahan, Mr. Lieu, Mr. Ryan, Ms. Wasserman Schultz, Mr. Gottheimer, Mr. Cohen, Mr. Ruiz, Mr. Jackson of North Carolina, Mr. Pappas, Mr. Peters, Mr. Vicente Gonzalez of Texas, Mr. Neguse, Ms. Perez, Mr. Auchincloss, Mr. Krishnamoorthi, Ms. Caraveo, Ms. Manning, Ms. Spanberger, Mr. Bera, Mr. Espaillat, Ms. Lee of Nevada, Ms. Pressley, and Mr. Allred) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish a refundable child tax credit with monthly advance payment.  

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.  

This Act may be cited as the “American Family Act”.

SEC. 2. ESTABLISHMENT OF REFUNDABLE CHILD TAX CREDIT WITH MONTHLY ADVANCE PAYMENT.  

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 24 the following new sections:
“SEC. 24A. MONTHLY CHILD TAX CREDIT.

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year the sum of the monthly specified child allowances determined with respect to the taxpayer under subsection (b) for each calendar month during such taxable year.

“(b) MONTHLY SPECIFIED CHILD ALLOWANCE.—

“(1) IN GENERAL.—For purposes of this section, the term ‘monthly specified child allowance’ means, with respect to any taxpayer for any calendar month, the sum of—

“(A) $250, with respect to each specified child of such taxpayer who will (as of the close of such month) have attained age 6, plus

“(B) 120 percent of the dollar amount in effect for such month under subparagraph (A), with respect to each specified child of such taxpayer who will not (as of the close of such month) have attained age 6.

In the case of any specified child of such taxpayer who will not (as of the close of such month) have attained the age of 1 month, subparagraph (B) shall be applied by substituting ‘800 percent’ for ‘120 percent’.
“(2) Limitations based on modified adjusted gross income.—

“(A) Initial reduction.—The monthly specified child allowance otherwise determined under paragraph (1) with respect to any taxpayer for any calendar month shall be reduced (but not below zero) by $\frac{1}{12}$ of 5 percent of the excess (if any) of the taxpayer’s modified adjusted gross income for the applicable taxable year over the initial threshold amount in effect for such applicable taxable year.

“(B) Limitation on initial reduction.—In the case of any calendar month beginning before January 1, 2026, the amount of the reduction under subparagraph (A) shall not exceed the lesser of—

“(i) the excess (if any) of—

“(I) the monthly specified child allowance with respect to the taxpayer for such calendar month (determined without regard to this paragraph),

over

“(II) the amount which would be determined under subclause (I) if the dollar amounts in effect under sub-
paragraphs (A) and (B) of paragraph (1) were each equal to $166.67, or

“(ii) \(\frac{1}{12}\) of 5 percent of the excess of the secondary threshold amount over the initial threshold amount.

“(C) SECONDARY REDUCTION.—In the case of any calendar month beginning before January 1, 2026, the monthly specified child allowance otherwise determined under paragraph (1) with respect to any taxpayer for such calendar month (determined after the application of subparagraphs (A) and (B)) shall be reduced (but not below zero) by \(\frac{1}{12}\) of 5 percent of the excess (if any) of the taxpayer’s modified adjusted gross income for the applicable taxable year over the secondary threshold amount.

“(D) DEFINITIONS RELATED TO LIMITATIONS BASED ON MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph—

“(i) INITIAL THRESHOLD AMOUNT.—

The term ‘initial threshold amount’ means—

“(I) $150,000, in the case of a joint return or surviving spouse (as defined in section 2(a)),

...
“(II) \( \frac{1}{2} \) the dollar amount in effect under subclause (I), in the case of a married individual filing a separate return, and

“(III) $112,500, in any other case.

“(ii) SECONDARY THRESHOLD AMOUNT.—The term ‘secondary threshold amount’ means—

“(I) $400,000, in the case of a joint return or surviving spouse (as defined in section 2(a)),

“(II) $300,000, in the case of a head of household (as defined in section 2(b)), and

“(III) $200,000, in any other case.

“(iii) APPLICABLE TAXABLE YEAR.—The term ‘applicable taxable year’ means, with respect to any taxable year for which the credit under this section is determined—

“(I) such taxable year, or

“(II) if the taxpayer elects the application of this subclause (at such
time and in such form and manner as
the Secretary may provide), the pre-
ceding taxable year or the second pre-
ceding taxable year (as specified in
such election).

“(iv) MODIFIED ADJUSTED GROSS IN-
COME.—The term ‘modified adjusted gross
income’ means adjusted gross income in-
creased by any amount excluded from
gross income under section 911, 931, or
933.

“(3) INFLATION ADJUSTMENTS.—

“(A) MONTHLY SPECIFIED CHILD ALLOW-
ANCE.—In the case of any month beginning
after December 31, 2023, the $250 amount in
paragraph (1)(A) shall be increased by an
amount equal to—

“(i) such dollar amount, multiplied
by—

“(ii) the percentage (if any) by
which—

“(I) the CPI (as defined in sec-
tion 1(f)(4)) for the calendar year
preceding the calendar year in which
such month begins, exceeds
“(II) the CPI (as so defined) for calendar year 2020.

“(B) Initial threshold amount.—In the case of any taxable year beginning after December 31, 2023, the dollar amounts in subclauses (I) and (III) of paragraph (2)(D)(i) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the percentage (if any) which would be determined under subparagraph (A)(ii) if subclause (II) thereof were applied by substituting ‘2022’ for ‘2020’.

“(C) Rounding.—

“(i) Monthly specified child allowance.—Any increase under subparagraph (A) which is not a multiple of $10 shall be rounded to the nearest multiple of $10.

“(ii) Initial threshold amount.—Any increase under subparagraph (B) which is not a multiple of $5,000 shall be rounded to the nearest multiple of $5,000.

“(c) Specified child.—For purposes of this section—
“(1) IN GENERAL.—The term ‘specified child’ means, with respect to any taxpayer for any calendar month, an individual—

“(A) who has the same principal place of abode as the taxpayer for more than one-half of such month,

“(B) who is younger than the taxpayer and will not, as of the close of such month, have attained age 18,

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

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

“(E) who either—

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

“(ii) if the taxpayer is a citizen or national of the United States, such individual is described in section 152(f)(1)(B) with respect to such taxpayer.

“(2) CERTAIN INDIVIDUALS INELIGIBLE.—In the case of an individual who is a specified child with respect to another taxpayer for any calendar month, such individual shall be treated for such calendar month as having no specified children.
“(3) CARE FROM THE TAXPAYER.—

“(A) IN GENERAL.—Except as otherwise provided by the Secretary, whether any individual receives care from the taxpayer (within the meaning of paragraph (1)(C)) shall be determined on the basis of facts and circumstances with respect to the following factors:

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

“(ii) The maintenance by the taxpayer of a secure environment at which the individual resides.

“(iii) The provision or arrangement by the taxpayer of, and transportation by the taxpayer to, medical care at regular intervals and as required for the individual.

“(iv) The involvement by the taxpayer in, and financial and other support by the taxpayer for, educational or similar activities of the individual.

“(v) Any other factor that the Secretary determines to be appropriate to de-
termine whether the individual receives
care from the taxpayer.

“(B) Determination of whether care
is compensated.—For purposes of deter-
mining if care is compensated within the mean-
ing of paragraph (1)(C), compensation from the
Federal Government, a State or local govern-
ment, a Tribal government, or any possession of
the United States shall not be taken into ac-
count.

“(4) Application of tie-breaker rules.—

“(A) In general.—Except as provided in
subparagraph (D), if any individual would (but
for this paragraph) be a specified child of 2 or
more taxpayers for any month, such individual
shall be treated as the specified child only of
the taxpayer who is—

“(i) the parent of the individual (or, if
such individual would (but for this para-
graph) be a specified child of 2 or more
parents of the individual for such month,
the parent of the individual determined
under subparagraph (B)),

“(ii) if the individual is not a specified
child of any parent of the individual (deter-
mined without regard to this paragraph),
the specified relative of the individual with
the highest adjusted gross income for the
taxable year which includes such month, or

“(iii) if the individual is neither a
specified child of any parent of the indi-
vidual nor a specified child of any specified
relative of the individual (in both cases de-
termined without regard to this para-
graph), the taxpayer with the highest ad-
justed gross income for the taxable year
which includes such month.

“(B) TIE-BREAKER AMONG PARENTS.—If
any individual would (but for this paragraph)
be the specified child of 2 or more parents of
the individual for any month, such child shall
be treated only as the specified child of—

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

“(ii) if the child resides with both par-
ents for the same amount of time during
such month, the parent with the highest
adjusted gross income for the taxable year
which includes such month.
“(C) Specified relative.—For purposes of this paragraph, the term ‘specified relative’ means an individual who is—

“(i) an ancestor of a parent of the specified child,

“(ii) a brother or sister of a parent of the specified child, or

“(iii) a brother, sister, stepbrother, or stepsister of the specified child.

“(D) Certain parents or specified relatives not taken into account.—This paragraph shall be applied without regard to any parent or specified relative of an individual for any month if—

“(i) such parent or specified relative elects to have such individual not be treated as a specified child of such parent or specified relative for such month,

“(ii) in the case of a parent of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which includes such month is higher than the highest ad-
justed gross income of any parent of the individual for any taxable year which includes such month (determined without regard to any parent with respect to whom such individual is not a specified child, determined without regard to subparagraphs (A) and (B) and after application of this subparagraph), and

“(iii) in the case of a specified relative of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which includes such month is higher than the highest adjusted gross income of any parent and any specified relative of the individual for any taxable year which includes such month (determined without regard to any parent and any specified relative with respect to whom such individual is not a specified child, determined without regard to subparagraphs (A) and (B) and after application of this subparagraph).
“(E) Treatment of Joint Returns.—
For purposes of this paragraph, with respect to any month, the adjusted gross income of each person who files a joint return for the taxable year which includes such month is the total adjusted gross income shown on the joint return for the taxable year.

“(F) Parent.—Except as otherwise provided by the Secretary, the term ‘parent’ shall have the same meaning as when used in section 152(c)(4).

“(5) Treatment of Temporary Absences.—
Except as provided in regulations or other guidance issued by the Secretary, for purposes of this subsection—

“(A) In General.—In the case of any individual’s temporary absence from such individual’s principal place of abode, each day composing the temporary absence shall—

“(i) be treated as a day at such individual’s principal place of abode,

“(ii) be treated as satisfying the care requirement described in paragraph (1)(C) for each day described in clause (i), and
“(iii) not be treated as a day at any other location.

“(B) Temporary absence.—For purposes of subparagraph (A), an absence shall be treated as temporary if—

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

“(ii) under the facts and circumstances, it is reasonable to assume that the individual will return to reside at the place of abode.

“(6) Special rule for divorced parents, etc.—Rules similar to the rules section 152(e) shall apply for purposes of this subsection.

“(7) Eligibility determined on basis of presumptive eligibility.—

“(A) In general.—If a period of presumptive eligibility is established under section 7527B(e) for any individual with respect to any taxpayer—

“(i) such individual shall be treated as the specified child of such taxpayer for any month in such period of presumptive eligibility, and
“(ii) such individual shall not be treated as the specified child of any other taxpayer with respect to whom a period of presumptive eligibility has not been established for any such month.

“(B) ABILITY OF CREDIT CLAIMANTS TO ESTABLISH PRESUMPTIVE ELIGIBILITY.—Nothing in section 7527B(c) shall be interpreted to preclude a taxpayer from establishing a period of presumptive eligibility (including any such period described in section 7527B(c)(2)(D)) with respect to any specified child for purposes of this section solely because such taxpayer affirmatively elects not to receive monthly advance child payments under section 7527B.

“(d) CREDIT REFUNDABLE.—If the taxpayer (in the case of a joint return, either spouse) has a principal place of abode (determined as provided in section 32) in the United States or Puerto Rico for more than one-half of any calendar month during the taxable year, so much of the credit otherwise allowed under subsection (a) as is attributable to monthly specified child allowances with respect to any such calendar month shall be allowed under subpart C (and not allowed under this subpart).

“(e) IDENTIFICATION REQUIREMENTS.—
“(1) Qualifying Child Identification Requirement.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the name and taxpayer identification number of such qualifying child on the return of tax for the taxable year and such taxpayer identification number was issued on or before the due date for filing such return.

“(2) Taxpayer Identification Requirement.—No credit shall be allowed under this section if the taxpayer identification number of the taxpayer was issued after the due date for filing the return for the taxable year.

“(f) Restrictions on Taxpayers Who Improperly Claimed Credit or Improperly Received Monthly Advance Child Payment.—

“(1) Taxpayers Making Prior Fraudulent or Reckless Claims.—

“(A) In General.—No credit shall be allowed under this section for any taxable year (and no payment shall be made under section 7527B for any month) in the disallowance period.
“(B) DISALLOWANCE PERIOD.—For purposes of subparagraph (A), the disallowance period is—

“(i) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section or section 24 (or payment received under section 7527A or 7527B) was due to fraud,

“(ii) the period of 2 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section or section 24 (or payment received under section 7527A or 7527B) was due to reckless or intentional disregard of rules and regulations (but not due to fraud), and

“(iii) in addition to any period determined under clause (i) or (ii) (as the case may be), the period beginning on the date of the final determination described in such clause and ending with the beginning of the period described in such clause.
“(2) Taxpayers making improper prior claims.—In the case of a taxpayer who is denied credit under this section or section 24 for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year (and no payment shall be made under section 7527B for any subsequent month) unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

“(3) Coordination with possessions of the United States.—For purposes of this subsection, a taxpayer’s claim of credit under this section or section 24 (or payment received under section 7527A or section 7527B) includes a claim of credit under this section or section 24 of the income tax law of any jurisdiction other than the United States (or similar payment received under section 7527A or section 7527B of such income tax law), and a claim made or a payment received from American Samoa pursuant to a plan described in subsection (i)(3)(B) or section 24(k)(3)(B).

“(g) Reconciliation of credit and monthly advance child payments.—
“(1) IN GENERAL.—The amount otherwise determined under subsection (a) with respect to any taxpayer for any taxable year shall be reduced (but not below zero) by the aggregate amount of payments made under section 7527B to such taxpayer for one or more calendar months in such taxable year. Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(2) RECAPTURE OF EXCESS ADVANCE PAYMENTS IN CERTAIN CIRCUMSTANCES.—In the case of a taxpayer described in paragraph (3) for any taxable year, the tax imposed by this chapter for such taxable year shall be increased by the excess (if any) of—

“(A) the aggregate amount of payments made to the taxpayer under section 7527B for one or more calendar months in such taxable year, over

“(B) the amount determined under subsection (a) with respect to the taxpayer for such taxable year (without regard to paragraph (1) of this subsection).

“(3) TAXPAYERS SUBJECT TO RECAPTURE.—
“(A) Fraud or reckless or intentional disregard of rules and regulations.—A taxpayer is described in this paragraph with respect to any taxable year if the Secretary determines that the amount described in paragraph (2)(A) with respect to the taxpayer for such taxable year was determined on the basis of fraud or a reckless or intentional disregard of rules and regulations.

“(B) Understatement of income; changes in filing status.—If the amount described in paragraph (2)(A) with respect to the taxpayer for the taxable year was determined on the basis of an amount of the taxpayer’s modified adjusted gross income which was less than the taxpayer’s modified adjusted gross income for the applicable taxable year (as defined in subsection (b))—

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

“(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the excess of—

“(I) the amount described in paragraph (2)(A), over
“(II) the amount which would be so described if the payments described therein had been determined on the basis of the taxpayer’s modified adjusted gross income for the applicable taxable year (as defined in subsection (b)).

A rule similar to the rule of the preceding sentence shall apply if the amount described in paragraph (2)(A) with respect to the taxpayer for the taxable year was determined on the basis of a filing status of the taxpayer which differs from the taxpayer’s filing status for the applicable taxable year (as so defined).

“(C) PAYMENTS MADE OUTSIDE OF PERIOD OF PRESUMPTIVE ELIGIBILITY.—If any payment described in paragraph (2)(A) with respect to the taxpayer for the taxable year was made with respect to a child for a month which was not part of a period of presumptive eligibility established under section 7527B(c) for such child with respect to such taxpayer—

“(i) such taxpayer shall be treated as described in this paragraph, and
“(ii) the increase determined under paragraph (2) by reason of this subpara-
graph shall not exceed the portion of such payment so made.

“(D) CERTAIN PAYMENTS MADE AFTER NOTICE FROM SECRETARY.—If the Secretary notifies a taxpayer under section 7527B(j)(2) that such taxpayer is subject to recapture with respect to any payments—

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

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

“(E) TAXPAYERS MOVING TO ANOTHER JURISDICTION.—To minimize the amount of advance payments made under section 7527B to ineligible individuals, the Secretary shall issue regulations or other guidance for purposes of this paragraph which apply with respect to tax-
payers who are described in section 7527B(b)(4) with respect to the reference month but are not so described with respect to one or more months during the taxable year for
which advance payments under section 7527B are made.

“(F) Other circumstances to prevent abuse.—A taxpayer is described in this paragraph with respect to any taxable year pursuant to regulations or other guidance of the Secretary describing other recapture circumstances to facilitate the administration and enforcement by the Secretary of section 7527B to minimize the amount of advance payments made under section 7527B to ineligible individuals and to prevent abuse.

“(4) Joint returns.—Except as otherwise provided by the Secretary, in the case of an advance payment made under section 7527B with respect to a joint return, half of such payment shall be treated as having been made to each individual filing such return.

“(5) Coordination with possessions of the United States.—For purposes of this subsection, payments made under section 7527B include payments made by any jurisdiction other than the United States under section 7527B of the income tax law of such jurisdiction, and advance payments made by American Samoa pursuant to a plan de-
scribed in subsection (h)(3)(B). Any increase in tax imposed on a taxpayer by reason of paragraph (2) of the income tax law of a jurisdiction other than the United States shall be considered to reduce the aggregate amount of payments made to such taxpayer by such jurisdiction. In carrying out this section, the Secretary shall coordinate with each possession of the United States to prevent any application of this paragraph that is inconsistent with the purposes of this subsection.

“(h) APPLICATION OF CREDIT IN POSSESSIONS.—

“(1) MIRROR CODE POSSESSIONS.—

“(A) In general.—The Secretary shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of this section (determined without regard to this subsection) with respect to taxable years beginning in calendar years after 2023. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

“(B) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed under this
section for any taxable year to any individual to whom a credit is allowable against taxes imposed by a possession of the United States with a mirror code tax system by reason of the application of this section in such possession for such taxable year.

“(C) MIRROR CODE TAX SYSTEM.—For purposes of this paragraph, the term ‘mirror code tax system’ means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(2) CROSS REFERENCES RELATED TO APPLICATION OF CREDIT TO RESIDENTS OF PUERTO RICO.—

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

“(B) For application of advance payment to residents of Puerto Rico, see section 7527B(b)(4).

“(3) AMERICAN SAMOA.—
“(A) IN GENERAL.—The Secretary shall pay to American Samoa amounts estimated by the Secretary as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the application of this section for taxable years beginning in calendar years after 2023 if the provisions of this section had been in effect in American Samoa (applied as if American Samoa were the United States and without regard to the application of this section to residents of Puerto Rico under subsection (d)).

“(B) DISTRIBUTION REQUIREMENT.—Subparagraph (A) shall not apply unless American Samoa has a plan, which has been approved by the Secretary, under which American Samoa will promptly distribute such payments to its residents.

“(C) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—

“(i) IN GENERAL.—In the case of a taxable year with respect to which a plan is approved under subparagraph (B), this section (other than this subsection) shall
not apply to any individual eligible for a
distribution under such plan.

“(ii) Application of section in
event of absence of approved
plan.—In the case of a taxable year with
respect to which a plan is not approved
under subparagraph (B), subsection (d)
shall be applied by substituting ‘, Puerto
Rico, or American Samoa’ for ‘or Puerto
Rico’.

“(4) Treatment of payments.—For pur-
poses of section 1324 of title 31, United States
Code, the payments under this subsection shall be
treated in the same manner as a refund due from
a credit provision referred to in subsection (b)(2) of
such section.

“(i) Regulations.—The Secretary shall issue such
regulations or other guidance as the Secretary determines
necessary or appropriate to carry out the purposes of this
section, including regulations or other guidance—

“(1) for determining whether an individual re-
ceives care from a taxpayer for purposes of sub-
section (e)(1), and
“(2) to coordinate or modify the application of this section and sections 24, 7527A, and 7527B in the case of any taxpayer—

“(A) whose taxable year is other than a calendar year,

“(B) whose filing status for a taxable year is different from the status used for determining one or more monthly payments under section 7527B during such taxable year, or

“(C) whose principal place of abode for any month is different from the principal place of abode used for determining the monthly payment under section 7527B for such month.

“SEC. 24B. CREDIT FOR CERTAIN OTHER DEPENDENTS.

“(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 with respect to each specified dependent of such taxpayer for such taxable year.

“(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $50 for each $1,000 (or fraction thereof) by which the taxpayer’s modified adjusted gross income exceeds the threshold amount.
“(2) Threshold Amount.—For purposes of this subsection, the term ‘threshold amount’ means—

“(A) $400,000, in the case of a joint return or surviving spouse (as defined in section 2(a)),

“(B) $300,000, in the case of a head of household (as defined in section 2(b)), and

“(C) $200,000, in any other case.

“(3) Modified Adjusted Gross Income.—For purposes of this subsection, the term ‘modified adjusted gross income’ means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

“(c) Specified Dependent.—For purposes of this section, the term ‘specified dependent’ means, with respect to any taxpayer for any taxable year, any dependent of such taxpayer for such taxable year unless such dependent—

“(1) is a specified child of the taxpayer, or any other taxpayer, for any month during such taxable year, or

“(2) would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows ‘resident of the United States’.
“(d) Identification Requirements.—Rules similar to the rules of section 24A(e) shall apply for purposes of this section.

“(e) Taxable Year Must Be Full Taxable Year.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

“(f) Regulations.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section.”.

(b) Monthly Payment of Child Tax Credit.—Chapter 77 of such Code is amended by inserting after section 7527A the following new section:

“SEC. 7527B. MONTHLY PAYMENTS OF CHILD TAX CREDIT.

“(a) In General.—The Secretary shall establish a program for making payments to taxpayers with respect to each calendar month equal to the monthly advance child payment determined with respect to such taxpayer for such month.

“(b) Monthly Advance Child Payment.—For purposes of this section and except as otherwise provided in this section, the term ‘monthly advance child payment’ means, with respect to any taxpayer for any calendar
month, the amount (if any) which is estimated by the Sec-
retary as being equal to the monthly specified child allow-
ance which would be determined under section 24A(b)
with respect to such taxpayer for such calendar month if—

“(1) unless determined by the Secretary based
on any information known to the Secretary, the only
specified children of such taxpayer for such calendar
month are the specified children of such taxpayer for
the reference month,

“(2) unless determined by the Secretary based
on any information known to the Secretary, the ages
of such children (and the status of such children as
specified children) are determined for such calendar
month by taking into account the passage of time
since such reference month,

“(3) the limitations of section 24A(b)(2) were
applied with respect to the reference taxable year
rather than with respect to the applicable taxable
year, and

“(4) unless determined by the Secretary based
on any information known to the Secretary, no
monthly specified child allowance were determined
with respect to such taxpayer for such calendar
month unless the taxpayer (in the case of a joint re-
turn, either spouse) has a principal place of abode
(determined as provided in section 32) in the United States or Puerto Rico for more than one-half of the reference month.

“(c) Presumptive Eligibility.—

“(1) In General.—An individual shall be treated as a specified child of a taxpayer for purposes of determining any monthly advance child payment under this section only if such month is part of the period of presumptive eligibility determined by the Secretary under this subsection with respect to such specified child and such taxpayer (determined by treating the month described in subclause (I) of paragraph (2)(A)(ii) as being the first month beginning after the determination described in such subclause).

“(2) Period of Presumptive Eligibility.—For purposes of this section—

“(A) In General.—Except as otherwise provided by the Secretary, the term ‘period of presumptive eligibility’ means the period—

“(i) beginning with the month for which presumptive eligibility is established, and

“(ii) ending with the earliest of—
“(I) the beginning of the month described in clause (i) if the Secretary determines that the taxpayer committed fraud or intentionally disregarded rules or regulations in establishing or maintaining presumptive eligibility,

“(II) in the case of any notification from the Secretary that the period of presumptive eligibility has been terminated or suspended by reason of any question regarding eligibility of the taxpayer for monthly advance child payments with respect to such child, the month specified in such notice as the month on which such termination or suspension begins, and

“(III) the month following any failure of the taxpayer to make the required annual renewal of presumptive eligibility by such date as the Secretary may provide.

“(B) ESTABLISHING PRESumptIVE ELIGIBILITY.—A taxpayer shall establish presumptive
eligibility with respect to any specified child for any month at such time and in such manner as the Secretary may provide. Except as otherwise provided by the Secretary, in order to establish a period of presumptive eligibility the taxpayer must express a reasonable expectation and intent that the taxpayer will continue to be eligible with respect to such specified child for at least the two months following the month for which presumptive eligibility is to be established.

“(C) Method of establishing presumptive eligibility.—The Secretary shall ensure information to establish presumptive eligibility under this paragraph may be provided on the return of tax for the taxable year ending before the calendar year which includes the month for which such eligibility is to be established, through the on-line portal described in subsection (e), or in such other manner as the Secretary may provide.

“(D) Inclusion of automatic grace periods and periods of hardship.—The period of presumptive eligibility shall include any
period to which paragraph (1) or (2) of subsection (g) applies.

“(E) AUTOMATIC ELIGIBILITY FOR BIRTH
OF CHILD.—The Secretary shall issue regulations or other guidance to establish procedures pursuant to which, to the maximum extent administratively practicable—

“(i) a parent of a child born during a calendar month shall be treated as automatically establishing presumptive eligibility with respect to such child,

“(ii) the period of such automatic presumptive eligibility is determined, and

“(iii) the first monthly advance child payment with respect to such child is increased to properly take into account the months in the period of such automatic presumptive eligibility which precede such payment.

“(F) PRESUMPTIVE ELIGIBILITY BASED ON CERTAIN GOVERNMENT PROGRAMS.—The Secretary shall issue regulations or other guidance to establish procedures under which—

“(i) based on information provided to the Secretary by one or more government
entities, a parent or specified relative of a child is treated as automatically estab-
lishing presumptive eligibility with respect to such child, and

“(ii) the period for which such automatic presumptive eligibility is determined (including any additional circumstances under which such period will terminate).

“(G) Coordination With Presumption.—For purposes of determining the status of any individual as a specified child for purposes of determining presumptive eligibility with respect to any period, section 24A(c) shall be applied without regard to paragraph (7) thereof.

“(3) Notice of termination of presumptive eligibility by reason of failure to make annual renewal.—If a taxpayer’s period of presumptive eligibility with respect to any specified child terminates by reason of paragraph (2)(A)(ii)(III), the Secretary shall provide the taxpayer a written notice of such termination.

“(d) Determination of Reference Month and Reference Taxable Year.—For purposes of this sec-
“(1) Reference month.—The term ‘reference
month’ means, with respect to any taxpayer for any
calendar month, the most recent of—

“(A) in the case of a taxpayer who filed a
return of tax for the last taxable year ending
before such calendar month, the last month of
such taxable year,

“(B) in the case of a taxpayer who filed a
return of tax for the taxable year preceding the
taxable year described in subparagraph (A), the
last month of such preceding taxable year, and

“(C) in the case of a taxpayer who pro-
vides, through a specified alternative mecha-
nism, information which is sufficient to esti-
mate the taxpayer’s monthly advance child pay-
ment for such month, such month.

“(2) Reference taxable year.—The term
‘reference taxable year’ means, with respect to any
taxpayer for any calendar month, the most recent
of—

“(A) the taxable year described in subpara-
graph (A) or (B) of paragraph (1), or

“(B) in the case of a taxpayer who pro-
vides, through a specified alternative mecha-
nism, information which is sufficient to esti-
mate the taxpayer’s modified adjusted gross income for the taxable year which includes such month, such taxable year.

“(3) Availability of Information.—Any month or year referred to in subparagraph (A), (B), or (C) of paragraph (1) or subparagraph (A) or (B) of paragraph (2) shall not be taken into account in determining the reference month or reference taxable year with respect to any calendar month unless all relevant information with respect to such month or year is available to the Secretary and the Secretary has adequate time to make estimates under this section on the basis of such information before the beginning of such calendar month.

“(4) Treatment of Insufficient Information.—Except as otherwise provided by the Secretary—

“(A) if a taxpayer is not described in subparagraph (A), (B), or (C) of paragraph (1) with respect to any calendar month, the monthly advance child payment with respect to such taxpayer for such calendar month shall be treated as zero unless the Secretary determines that the Secretary can make the estimate described in subsection (b) on the basis of infor-
information known to the Secretary which the Sec-
retary determines is reasonably reliable, and

“(B) if the taxpayer is not described in
paragraph (1)(C) and the information on the
return of tax referred to in subparagraph (A)
or (B) of paragraph (1) does not establish the
status of the taxpayer (in the case of a joint re-
turn, either spouse) as having a principal place
of abode (determined as provided in section 32)
in the United States or Puerto Rico for more
than one-half of the reference month, the Sec-
retary shall determine such status based on in-
formation known to the Secretary.

“(5) TRANSITION RULE.—In any case with re-
spect to which section 24A was not in effect for the
taxable year described in subparagraph (A), (B), or
(C) of paragraph (1) (whichever is applicable), sub-
section (b)(1) shall be applied by substituting ‘the
qualifying children of such taxpayer for the taxable
year which includes the reference month’ for ‘the
specified children of such taxpayer for the reference
month’.

“(e) ON-LINE INFORMATION PORTAL; SPECIFIED
ALTERNATIVE MECHANISMS.—
“(1) ON-LINE INFORMATION PORTAL.—The Secretary shall establish an on-line portal which allows taxpayers to—

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

“(B) provide information to the Secretary which is relevant in determining the monthly advance child payment and the taxpayer’s eligibility for such payment, including information regarding—

“(i) the number of the taxpayer’s specified children, including by reason of the birth of a child,

“(ii) the taxpayer’s marital status,

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

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

“(v) any other factor which the Secretary may provide.

“(2) SPECIFIED ALTERNATIVE MECHANISM.—For purposes of this section, the term ‘specified alternative mechanism’ means the on-line portal established under paragraph (1), the on-line portal estab-
lished under section 7527A, and any other mechanism or method established by the Secretary to allow taxpayer’s to provide the information described in paragraph (1) (including in connection with the filing of any return of tax).

“(3) Availability in multiple languages.—The Secretary shall ensure that the online portal described in paragraph (1) is available in multiple languages.

“(f) Specified Child of More Than 1 Taxpayer.—

“(1) In general.—In the event that (without regard to this paragraph) a period of presumptive eligibility with respect to the same specified child would exist for more than 1 taxpayer at the same time—

“(A) except as otherwise provided in this section or by the Secretary, a period of presumptive eligibility shall exist only respect to the taxpayer with the most recent reference month,

“(B) the Secretary shall establish procedures under which the Secretary expeditiously adjudicates taxpayers’ competing claims of pre-
sumptive eligibility with respect to the same
child, and

“(C) the Secretary shall notify any tax-
payer of the termination of a period of pre-
sumptive eligibility pursuant to this subsection.

“(2) PROVISIONS RELATED TO ADJUDICA-
TION.—

“(A) EXPEDITED PROCESS; APPEALS.—

The procedures established under paragraph
(1)(B) shall include—

“(i) an expedited process for tax-
payers who meet such requirements as the
Secretary may establish for such expedited
process, and

“(ii) procedures for adjudicating an
appeal of an adverse decision.

“(B) INFORMATION RECEIPT AND COORDI-
NATION.—The Secretary may enter into agree-
ments to receive information from, and other-
wise coordinate with—

“(i) Federal agencies (including the
Social Security Administration and the De-
partment of Agriculture),
“(ii) any State, local government, Tribal government, or possession of the United States, and

“(iii) any other individual or entity that the Secretary determines to be appropriate for purposes of adjudicating a competing claim described in paragraph (1).

“(C) ADJUDICATION NOT TREATED AS ASSESSMENT.—An adjudication under the procedures established under paragraph (1)(B) (including the adjudication of any appeal) shall not be treated as an assessment described in section 6201.

“(D) ADJUDICATION NOT TREATED AS INSPECTION OF TAXPAYER’S BOOKS OF ACCOUNT.—The inspection of a taxpayer’s books of account in connection with any adjudication under the procedures established under paragraph (1)(B) (including the adjudication of any appeal) shall not be treated as an examination or inspection of a taxpayer’s books of account for purposes of section 7605(b).

“(3) RETROACTIVE PAYMENTS.—If, pursuant to the procedures established under paragraph (1)(B), the Secretary determines that a child is a specified
child of a taxpayer and the Secretary did not make payments to such taxpayer with respect to such child for any portion of the period during which the determination was made, the Secretary may make a one-time payment to the taxpayer with respect to which such child is the specified child in an amount equal to the aggregate amount by which the monthly advance child payments to such taxpayer would have increased during such period if such determination had been made immediately.

“(4) Recapture of Payments.—If, pursuant to the procedures established under paragraph (1)(B), the Secretary makes payments with respect to the child during the period during which the determination is made—

“(A) the Secretary shall provide each taxpayer which receives such payments notice that such payments may be subject to recapture, and

“(B) upon making such determination, the Secretary shall determine on the basis of the facts and circumstances of each such taxpayer whether any such payments should be subject to recapture and shall so notify each such taxpayer.
“(g) RULES RELATED TO GRACE PERIODS AND HARDSHIPS.—

“(1) AUTOMATIC GRACE PERIOD.—

“(A) IN GENERAL.—Notwithstanding subsection (f), in the case of any failure or delay in establishing a period of presumptive eligibility with respect to which the taxpayer elects the application of this subparagraph, credit under section 24A or retroactive payment under this section (similar to the payment described in subsection (f)(3)) shall be allowed or made with respect to so much of the period of such failure or delay as does not exceed 3 months. The preceding sentence shall not apply if the Secretary determines that such failure or delay was due to fraud or reckless or intentional disregard of rules and regulations.

“(B) LIMITATION.—Subparagraph (A) shall not apply with respect to any taxpayer more than once during any 36-month period.

“(2) HARDSHIP.—Notwithstanding subsection (f), if the Secretary determines that a failure or delay in establishing a period of presumptive eligibility with respect to any specified child was due to domestic violence, serious illness, natural disaster, or
any other hardship, credit under section 24A or retroactive payment under this section (similar to the payment described in subsection (f)(3)) shall be allowed or made with respect to so much of the period of such failure or delay as does not exceed 6 months.

“(h) PROVISIONS RELATED TO FORM, MANNER, AND TREATMENT OF PAYMENTS.—

“(1) APPLICATION OF ELECTRONIC FUNDS PAYMENT REQUIREMENT.—The payments made by the Secretary under subsection (a) shall be made by electronic funds transfer to the same extent and in the same manner as if such payments were Federal payments not made under this title.

“(2) DELIVERY OF PAYMENTS.—Notwithstanding any other provision of law, the Secretary may certify and disburse refunds payable under this section electronically to—

“(A) any account to which the payee authorized, on or after January 1, 2023, the delivery of a refund of taxes under this title or of a Federal payment (as defined in section 3332 of title 31, United States Code),

“(B) any account belonging to a payee from which that individual, on or after January
1, 2023, made a payment of taxes under this
title, or

“(C) any Treasury-sponsored account (as
defined in section 208.2 of title 31, Code of
Federal Regulations).

“(3) Waiver of certain rules.—Notwith-
standing section 3325 of title 31, United States
Code, or any other provision of law, with respect to
any payment of a refund under this section, a dis-
bursing official in the executive branch of the United
States Government may modify payment information
received from an officer or employee described in
section 3325(a)(1)(B) of such title for the purpose
of facilitating the accurate and efficient delivery of
such payment. Except in cases of fraud or reckless
neglect, no liability under section 3325, 3527, 3528,
or 3529 of title 31, United States Code, shall be im-
posed with respect to payments made under this
paragraph.

“(4) Exception from reduction or off-
set.—Any applicable payment (as defined in para-
graph (5)(E)(iii)) shall not be—

“(A) subject to reduction or offset pursuant
to section 3716 or 3720A of title 31,
United States Code,
“(B) subject to reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402, or
“(C) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.
“(5) ASSIGNMENT OF BENEFITS.—
“(A) IN GENERAL.—The right of any person to any applicable payment shall not be transferable or assignable, at law or in equity, and no applicable payment shall be subject to, execution, levy, attachment, garnishment, or other legal process, or the operation of any bankruptcy or insolvency law.
“(B) ENCODING OF PAYMENTS.—In the case of an applicable payment described in subparagraph (E)(iii)(I) that is paid electronically by direct deposit through the Automated Clearing House (ACH) network, the Secretary of the Treasury (or the Secretary’s delegate) shall—
“(i) issue the payment using a unique identifier that is reasonably sufficient to allow a financial institution to identify the payment as an applicable payment, and
“(ii) further encode the payment pursuant to the same specifications as required for a benefit payment defined in section 212.3 of title 31, Code of Federal Regulations.

“(C) GARNISHMENT.—

“(i) ENCODED PAYMENTS.—In the case of a garnishment order that applies to an account that has received an applicable payment that is encoded as provided in subparagraph (B), a financial institution shall follow the requirements and procedures set forth in part 212 of title 31, Code of Federal Regulations, except—

“(I) notwithstanding section 212.4 of title 31, Code of Federal Regulations (and except as provided in subclause (II)), a financial institution shall not fail to follow the procedures of sections 212.5 and 212.6 of such title with respect to a garnishment order merely because such order has attached, or includes, a notice of right to garnish federal benefits issued
by a State child support enforcement agency, and

“(II) a financial institution shall not, with regard to any applicable payment, be required to provide the notice referenced in sections 212.6 and 212.7 of title 31, Code of Federal Regulations.

“(ii) OTHER PAYMENTS.—In the case of a garnishment order (other than an order that has been served by the United States) that has been received by a financial institution and that applies to an account into which an applicable payment that has not been encoded as provided in subparagraph (B) has been deposited electronically on any date during the lookback period or into which an applicable payment that has been deposited by check on any date in the lookback period, the financial institution, upon the request of the account holder, shall treat the amount of the funds in the account at the time of the request, up to the amount of the applicable payment (in addition to any amounts other-
wise protected under part 212 of title 31, Code of Federal Regulations), as exempt from a garnishment order without requiring the consent of the party serving the garnishment order or the judgment creditor.

“(iii) LIABILITY.—A financial institution that acts in good faith in reliance on clauses (i) or (ii) shall not be subject to liability or regulatory action under any Federal or State law, regulation, court or other order, or regulatory interpretation for actions concerning any applicable payments.

“(D) NO RECLAMATION RIGHTS.—This paragraph shall not alter the status of applicable payments as tax refunds or other nonbenefit payments for purpose of any reclamation rights of the Department of the Treasury or the Internal Revenue Service as per part 210 of title 31, Code of Federal Regulations.

“(E) DEFINITIONS.—For purposes of this paragraph—

“(i) ACCOUNT HOLDER.—The term ‘account holder’ means a natural person whose name appears in a financial institu-
tion’s records as the direct or beneficial owner of an account.

“(ii) ACCOUNT REVIEW.—The term ‘account review’ means the process of examining deposits in an account to determine if an applicable payment has been deposited into the account during the lookback period. The financial institution shall perform the account review following the procedures outlined in section 212.5 of title 31, Code of Federal Regulations and in accordance with the requirements of section 212.6 of title 31, Code of Federal Regulations.

“(iii) APPLICABLE PAYMENT.—The term ‘applicable payment’ means—

“(I) any payment made to an individual under this section (other than any payment made pursuant to paragraph (6)),

“(II) any advance payment made by a possession of the United States with a mirror code tax system (as defined in section 24(h)) pursuant to an election under paragraph (6)(B)
which corresponds to a payment de-
scribed in subclause (I), and

“(III) any advance payment
made by American Samoa pursuant to
a program for making such payments
which is described in paragraph
(6)(C)(ii).

“(iv) GARNISHMENT.—The term ‘gar-
nishment’ means execution, levy, attach-
ment, garnishment, or other legal process.

“(v) GARNISHMENT ORDER.—The
term ‘garnishment order’ means a writ,
order, notice, summons, judgment, levy, or
similar written instruction issued by a
court, a State or State agency, a munici-
pality or municipal corporation, or a State
child support enforcement agency, includ-
ing a lien arising by operation of law for
overdue child support or an order to freeze
the assets in an account, to effect a gar-
nishment against a debtor.

“(vi) LOOKBACK PERIOD.—The term
‘lookback period’ means the two month pe-
riod that begins on the date preceding the
date of account review and ends on the
corresponding date of the month two
months earlier, or on the last date of the
month two months earlier if the cor-
responding date does not exist.

“(6) Application of advance payments in
the possessions of the United States.—

“(A) Puerto Rico.—

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

“(ii) For application of monthly ad-
vance child payments to residents of Puer-
to Rico, see subsection (b)(4).

“(B) Mirror Code possessions.—In the
case of any possession of the United States with
a mirror code tax system (as defined in section
24A(h)(1)(C)), this section shall not be treated
as part of the income tax laws of the United
States for purposes of determining the income
tax law of such possession unless such posses-
sion elects to have this section be so treated.

“(C) Administrative expenses of ad-
nance payments.—

“(i) Mirror Code possessions.—In
the case of any possession described in
subparagraph (B) which makes the election described in such subparagraph, the amount otherwise paid by the Secretary to such possession under section 24A(h)(1)(A) with respect to taxable years beginning in 2024, 2025, and 2026 shall each be increased by $300,000 if such possession has a plan, which has been approved by the Secretary, for making monthly advance child payments consistent with such election.

“(ii) AMERICAN SAMOA.—The amount otherwise paid by the Secretary to American Samoa under subparagraph (A) of section 24A(h)(3) with respect to taxable years beginning in 2024, 2025, and 2026 shall each be increased by $300,000 if the plan described in subparagraph (B) of such section includes a program, which has been approved by the Secretary, for making monthly advance child payments under rules similar to the rules of this section.

“(iii) TIMING OF PAYMENT.—The Secretary may pay, upon the request of the possession of the United States to which
the payment is to be made, the amount of
the increase determined under clause (i) or
(ii), respectively, immediately upon ap-
proval of the plan with respect to which
such payment relates.

“(i) Application of Certain Definitions and
Rules Applicable to Child Tax Credit.—

“(1) Definitions.—Except as otherwise pro-
vided in this section, terms used in this section
which are also used in section 24A shall have the
same respective meanings as when used in section
24A.

“(2) Treatment of Certain Deaths.—A
child shall not be taken into account in determining
the monthly advance child payment for any calendar
month if the death of such child before the end of
such month is known to the Secretary as of date on
which the Secretary estimates such payment.

“(3) Identification Requirements.—Rules
similar to the rules which apply under section
24A(e) shall apply for purposes of this section ex-
cept that such rules shall apply with respect to the
return of tax for the reference taxable year or, in the
case of information provided through a specified al-
ternative mechanism, with respect to the information
provided through such mechanism.

“(4) Restrictions on taxpayers who im-
properly claimed credit or received monthly
advance child payments.—For restrictions on
taxpayers who improperly claimed credit or received
monthly advance child payments, see section 24A(f).

“(j) Notice of Payments.—

“(1) In general.—Not later than January 31
of the calendar year following any calendar year dur-
ing which the Secretary makes one or more pay-
ments to any taxpayer under this section, the Sec-
retary shall provide such taxpayer with a written no-
tice which includes—

“(A) the taxpayer’s taxpayer identity (as
defined in section 6103(b)(6)),

“(B) the aggregate amount of such pay-
ments made to such taxpayer during such cal-
endar year, and

“(C) such other information as the Sec-
retary determines appropriate.

“(2) Certain payments subject to recap-
ture.—In the case of any payments made to a tax-
payer which the Secretary has determined are sub-
ject to recapture, the notice provided under para-
graph (1) to such taxpayer shall include the amount
of such payments.

“(k) Notification of Certain Events.—With re-
spect to any taxpayer receiving monthly advance child pay-
ments under this section with respect to any specified
child, the Secretary shall, to the maximum extent prac-
ticable, provide reasonable advance notice of each of the
following:

“(1) Any month with respect to which such
monthly advance child payment will increase (rel-
ative to the preceding month) by reason of an infla-
tion adjustment under section 24A(b)(3)(A).

“(2) Any month with respect to which such
monthly advance child payment will be reduced (rel-
ative to the preceding month) by reason of such
child ceasing to be a specified child by reason of at-
taining age 18.

“(3) In the case of a taxpayer with a specified
child described in section 24A(b)(1)(A), any month
with respect to which such monthly advance child
payment will be reduced by reason of such child at-
taining age 6.

“(l) Regulations.—The Secretary shall issue such
regulations or other guidance as the Secretary determines
necessary or appropriate to carry out the purposes of this section.”.

(c) Termination of Annual Child Tax Credit.—Section 24 of such Code is amended by adding at the end the following new subsection:

“(l) Termination.—This section shall not apply to (and no payment shall be made under subsection (k) with respect to) any taxable year beginning after December 31, 2023.”.

(d) Disclosure of Information Relating to Advance Payment of Child Tax Credit.—Section 6103(e) of such Code is amended by adding at the end the following new paragraph:

“(12) Disclosure of information relating to advance payment of child tax credit.—

“(A) Joint filers.—In the case of an individual to whom the Secretary makes payments under section 7527A or who is eligible for monthly advance child payments under section 7527B, if the reference taxable year (as defined in section 7527A(b)(2) or 7527B(d)(2), as the case may be) that the Secretary uses to calculate such payments is a year for which the individual filed an income tax return jointly with another individual, the Secretary may dis-
close to such individual any information which is relevant in determining the payment under section 7527A, or the monthly advance child payment under section 7527B, and the individual’s eligibility for such payment, including information regarding any of the following:

“(i) The number of specified children, including by reason of the birth of a child.

“(ii) The name and TIN of specified children.

“(iii) Marital status.

“(iv) Modified adjusted gross income.

“(v) Principal place of abode.

“(vi) Any other factor which the Secretary may provide pursuant to section 7527A(e) or 7527B(e).

“(B) COMPETING CLAIMANTS.—In the case of an individual who has a competing claim of presumptive eligibility with respect to a specified child under section 7527B(f)(1), the Secretary may disclose to such individual return information provided by another individual who has a competing claim of presumptive eligibility with respect to the same specified child in the course of the Secretary’s adjudication of that
competing claim, as well as any other information considered by the Secretary with respect to that competing claim. Such information shall be limited to the items specified in subparagraph (A) and the following:

“(i) Information received under any agreements or coordination the Secretary entered into with—

“(I) any State, local government, Tribal government, or possession of the United States, or

“(II) any other individual or entity that the Secretary determines to be appropriate for purposes of adjudicating a competing claim.

“(ii) Information considered by the Secretary about where and with whom the specified child resided.

“(iii) Information considered by the Secretary about expenditures made by the claimants to the extent such payments relate to the competing claim.”.

(e) CONFORMING AMENDMENTS.—

(1) Section 26(b)(2) is amended by striking “and” at the end of subparagraph (Y), by striking
the period at the end of subparagraph (Z) and inserting “, and”, and by adding at the end the following new subparagraph:

“(AA) section 24A(g)(2) (relating to recapture of certain monthly advance child payments).”.

(2) Section 152(f)(6)(B)(ii) is amended to read as follows:

“(ii) the credits under sections 24, 24A, and 24B and the payments under sections 7527A and 7527B,.”.

(3) Section 3402(f)(1)(C) is amended by inserting “or section 24A (determined after application of subsection (g) thereof)” after “section 24 (determined after application of subsection (j) thereof)”.

(4) Section 6103(l)(13)(A)(v) is amended by inserting “or section 24A, as the case may be” after “section 24”.

(5) Section 6211(b)(4)(A) is amended by inserting “24A by reason of subsection (d) thereof,” after “24 by reason of subsections (d) and (i)(1) thereof,”.

(6) Section 6213(g)(2)(I) is amended by inserting “or section 24A(e) (relating to monthly child tax
credit)” after “section 24(e) (relating to child tax credit)”.

(7) Section 6213(g)(2)(L) is amended by inserting “24A,” after “24,”.

(8) Section 6213(g)(2)(P) is amended—

(A) by inserting “or 24A(f)(2)” after “section 24(g)(2),”;

(B) by inserting “or 24A” after “under section 24”;

(C) by striking “subsection (g)(1) thereof” and inserting “section 24(g)(1) or section 24A(f)(1), respectively”.

(9) Section 6695(g)(2) is amended by inserting “24A,” after “24,”.

(10) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the preceding provisions of this Act, is amended—

(A) by inserting “24A,” after “24,”;

(B) by inserting “7527B,” after “7527A,”.

(11) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 24 the following new items:

“Sec. 24A. Monthly child tax credit.
“Sec. 24B. Credit for certain other dependents.”.
(12) The table of sections for chapter 77 is amended by inserting after the item relating to section 7527A the following new item:

"Sec. 7527B. Monthly payments of child tax credit."

(f) Effective Dates.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2023.

(2) Monthly advance child payments.—The amendments made by subsection (b) shall apply to calendar months beginning after December 31, 2023.

(3) Information disclosure.—The amendment made by subsection (d) shall take effect on the date of the enactment of this Act.

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