

118TH CONGRESS
2D SESSION

S. 5256

To amend the Internal Revenue Code of 1986 to enhance the child tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. ROMNEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to enhance the child tax credit, and for other purposes.

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 “Family Security Act”.

5 **TITLE I—CHILD TAX CREDIT**
6 **AND TAX CREDIT FOR PREG-**
7 **NANT MOTHERS**

8 **SEC. 101. PERMANENT EXPANSION OF CHILD TAX CREDIT.**

9 (a) IN GENERAL.—Section 24 of the Internal Rev-
10 enue Code of 1986 is amended—

1 (1) by striking subsections (a) through (e) and
2 inserting the following new subsections:

3 “(a) ALLOWANCE OF CREDIT.—

4 “(1) IN GENERAL.—There shall be allowed as a
5 credit against the tax imposed by this chapter for
6 the taxable year an amount equal to the applicable
7 percentage of the base credit amount.

8 “(2) BASE CREDIT AMOUNT.—For purposes of
9 paragraph (1), the base credit amount shall be an
10 amount equal to the sum of—

11 “(A) for each qualifying child who has not
12 attained age 6 as of the close of the calendar
13 year in which the taxable year of the taxpayer
14 begins, \$4,200, and

15 “(B) for each qualifying child of the tax-
16 payer who is not described in subparagraph
17 (A), \$3,000.

18 “(b) APPLICABLE PERCENTAGE AND LIMITATION
19 BASED ON ADJUSTED GROSS INCOME.—

20 “(1) APPLICABLE PERCENTAGE.—For purposes
21 of subsection (a), the applicable percentage shall
22 be—

23 “(A) in the case of a taxpayer whose modi-
24 fied adjusted gross income is equal to or great-
25 er than \$20,000, 100 percent, or

1 “(B) in the case of a taxpayer whose modi-
 2 fied adjusted gross income is less than \$20,000,
 3 an amount (expressed as a percentage) equal to
 4 the quotient of—

5 “(i) the modified adjusted gross in-
 6 come of the taxpayer, divided by

7 “(ii) \$20,000.

8 “(2) LIMITATION.—The amount of the credit
 9 allowable under subsection (a) shall be reduced (but
 10 not below zero) by \$50 for each \$1,000 (or fraction
 11 thereof) by which the taxpayer’s modified adjusted
 12 gross income exceeds—

13 “(A) in the case of a joint return,
 14 \$400,000, or

15 “(B) in any other case, \$200,000.

16 “(3) MODIFIED ADJUSTED GROSS INCOME.—
 17 For purposes of this subsection, the term ‘modified
 18 adjusted gross income’ means adjusted gross income
 19 increased by any amount excluded from gross in-
 20 come under section 911, 931, or 933.

21 “(4) ADJUSTMENT FOR INFLATION.—

22 “(A) IN GENERAL.—In the case of a tax-
 23 able year beginning after 2026, each of the
 24 \$20,000 amounts in paragraph (1) shall be in-
 25 creased by an amount equal to—

1 “(i) \$20,000, multiplied by

2 “(ii) the cost-of-living adjustment de-
3 termined under section 1(f)(3) for the cal-
4 endar year in which the taxable year be-
5 gins, determined by substituting ‘2025’ for
6 ‘2016’ in subparagraph (A)(ii) thereof.

7 “(B) ROUNDING.—If any increase under
8 this paragraph is not a multiple of \$100, such
9 increase shall be rounded to the next lowest
10 multiple of \$100.

11 “(c) QUALIFYING CHILD.—For purposes of this sec-
12 tion—

13 “(1) IN GENERAL.—The term ‘qualifying child’
14 means a qualifying child of the taxpayer (as defined
15 in section 152(c)) who has not attained age 18 as
16 of the close of the calendar year in which the taxable
17 year of the taxpayer begins.

18 “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—
19 The term ‘qualifying child’ shall not include any in-
20 dividual who would not be a dependent if subpara-
21 graph (A) of section 152(b)(3) were applied without
22 regard to all that follows ‘resident of the United
23 States’.

24 “(d) LIMITATION ON NUMBER OF CHILDREN.—The
25 number of qualifying children of a taxpayer for which a

1 credit may be allowed under this section for any taxable
 2 year shall not exceed 6.

3 “(e) IDENTIFICATION REQUIREMENTS.—

4 “(1) IN GENERAL.—No credit shall be allowed
 5 under this section to a taxpayer who does not in-
 6 clude on the return of tax for the taxable year—

7 “(A) the social security number of the tax-
 8 payer (and, in the case of a joint return, the so-
 9 cial security number of at least 1 spouse), and

10 “(B) with respect to any qualifying child,
 11 the name and the social security number of
 12 such qualifying child.

13 “(2) SOCIAL SECURITY NUMBER DEFINED.—

14 For purposes of this subsection, the term ‘social se-
 15 curity number’ means, with respect to a return of
 16 tax, a social security number issued to an individual
 17 by the Social Security Administration, but only if
 18 the social security number is issued—

19 “(A) to a citizen of the United States or
 20 pursuant to subclause (I) (or that portion of
 21 subclause (III) that relates to subclause (I)) of
 22 section 205(c)(2)(B)(i) of the Social Security
 23 Act, and

24 “(B) before the due date of filing such re-
 25 turn.”,

1 (2) by striking subsections (h) through (j) and
2 inserting the following:

3 “(h) RECONCILIATION OF CREDIT AND ADVANCE
4 CREDIT.—

5 “(1) IN GENERAL.—The amount of the credit
6 allowed under this section to any taxpayer for any
7 taxable year shall be reduced (but not below zero) by
8 the aggregate amount of payments made under sec-
9 tion 7527A to such taxpayer during such taxable
10 year. Any failure to so reduce the credit shall be
11 treated as arising out of a mathematical or clerical
12 error and assessed according to section 6213(b)(1).

13 “(2) EXCESS ADVANCE PAYMENTS.—If the ag-
14 gregate amount of payments under section 7527A to
15 the taxpayer during the taxable year exceeds the
16 amount of the credit allowed under this section to
17 such taxpayer for such taxable year (determined
18 without regard to paragraph (1)), the tax imposed
19 by this chapter for such taxable year shall be in-
20 creased by the amount of such excess. Any failure to
21 so increase the tax shall be treated as arising out of
22 a mathematical or clerical error and assessed accord-
23 ing to section 6213(b)(1).”,

24 (3) in subsection (k)—

1 (A) by striking paragraph (2) and insert-
 2 ing the following:

3 “(2) PUERTO RICO.—

4 “(A) NONAPPLICATION OF ADVANCE PAY-
 5 MENTS.—For nonapplication of advance pay-
 6 ment to residents of Puerto Rico, see section
 7 7527A(e)(4)(A).

8 “(B) ALLOWANCE OF CREDIT.—In the
 9 case of any bona fide resident of Puerto Rico
 10 (within the meaning of section 937(a)), the
 11 credit determined under this section shall be al-
 12 lowable to such resident.”, and

13 (B) in paragraph (3)—

14 (i) in subparagraph (A), by striking
 15 “and without regard to the application of
 16 this section to bona fide residents of Puer-
 17 to Rico under subsection (i)(1)”, and

18 (ii) in subparagraph (C), by striking
 19 clause (ii) and inserting the following:

20 “(ii) APPLICATION OF SECTION IN
 21 EVENT OF ABSENCE OF APPROVED
 22 PLAN.—In the case of a taxable year with
 23 respect to which a plan is not approved
 24 under subparagraph (B), rules similar to
 25 the rules of paragraph (2)(B) shall apply

1 with respect to bona fide residents of
 2 American Samoa (within the meaning of
 3 section 937(a)).”, and

4 (4) by redesignating subsection (k) (as amended
 5 by paragraph (3)) as subsection (i).

6 (b) TREATMENT AS FULLY REFUNDABLE.—

7 (1) CREDIT MOVED TO SUBPART RELATING TO
 8 REFUNDABLE CREDITS.—

9 (A) IN GENERAL.—The Internal Revenue
 10 Code of 1986 is amended—

11 (i) by redesignating section 24, as
 12 amended by this section, as section 36C,
 13 and

14 (ii) by moving such section, as so re-
 15 designated, from subpart A of part IV of
 16 subchapter A of chapter 1 to the location
 17 immediately after section 36B in subpart
 18 C of part IV of subchapter A of chapter 1.

19 (B) TECHNICAL AMENDMENT.—Subsection
 20 (a) of section 36C of such Code, as moved and
 21 redesignated by subparagraph (A), is amended
 22 by striking “this chapter” and inserting “this
 23 subtitle”.

24 (C) CLERICAL AMENDMENTS.—

1 (i) The table of sections for subpart A
 2 of part IV of subchapter A of chapter 1 of
 3 such Code is amended by striking the item
 4 relating to section 24.

5 (ii) The table of sections for subpart
 6 C of part IV of subchapter A of chapter 1
 7 of such Code is amended by adding at the
 8 end the following new item:

“Sec. 36C. Child tax credit.”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Section 26(b)(2)(Z) of such Code is
 11 amended by striking “24(j)(2)” and inserting
 12 “36C(h)(2)”.

13 (B) Subparagraph (B) of section 45R(f)(3)
 14 of such Code is amended to read as follows:

15 “(B) SPECIAL RULE.—Any amounts paid
 16 pursuant to an agreement under section 3121(l)
 17 (relating to agreements entered into by Amer-
 18 ican employers with respect to foreign affiliates)
 19 which are equivalent to the taxes referred to in
 20 subparagraph (A) shall be treated as taxes re-
 21 ferred to in such subparagraph.”.

22 (C) Section 48D(d)(4) of such Code is
 23 amended by striking “section 24(k)” and in-
 24 serting “section 36C(i)”.

1 (D) Section 152(f)(6)(B)(ii) of such Code
 2 is amended by striking “section 24” and insert-
 3 ing “section 36C”.

4 (E) Paragraph (26) of section 501(c) of
 5 such Code is amended in the flush matter at
 6 the end by striking “section 24(c))” and insert-
 7 ing “section 36C(c))”.

8 (F) Section 3402(f)(1)(C) of such Code is
 9 amended by striking “section 24 (determined
 10 after application of subsection (j) thereof)” and
 11 inserting “section 36C (determined after appli-
 12 cation of subsection (h) thereof)”.

13 (G) Section 6103(l)(13)(A)(v) of such
 14 Code is amended by striking “section 24” and
 15 inserting “section 36C”.

16 (H) Section 6211(b)(4)(A) of such Code is
 17 amended—

18 (i) by striking “24 by reason of sub-
 19 sections (d) and (i)(1) thereof,” and

20 (ii) by inserting “36C,” after “36B,”.

21 (I) Section 6213(g)(2) of such Code is
 22 amended—

23 (i) in subparagraph (I), by striking
 24 “correct TIN required under section
 25 24(e)” and inserting “correct social secu-

1 rity number required under section
 2 36C(e)’’,

3 (ii) in subparagraph (L)—

4 (I) by striking “24, or 32” and
 5 inserting “32, or 36C”, and

6 (II) by striking “TIN” each place
 7 it appears and inserting “TIN or so-
 8 cial security number”, and

9 (iii) in subparagraph (P)—
 10 (I) by striking “24(g)(2)” and in-
 11 serting “36C(g)(2)”, and

12 (II) by striking “section 24” and
 13 inserting “section 36C”.

14 (J) Section 6402(m) of such Code is
 15 amended by striking “section 24 (by reason of
 16 subsection (d) thereof) or 32” and inserting
 17 “section 32 or 36C”.

18 (K) Section 6417(f) of such Code is
 19 amended by striking “section 24(k)” and in-
 20 serting “section 36C(i)”.

21 (L) Section 6695(g)(2) of such Code is
 22 amended by striking “24, 25A(a)(1), or 32”
 23 and inserting “25A(a)(1), 32, or 36C”.

24 (M) Paragraph (2) of section 1324(b) of
 25 title 31, United States Code, is amended—

1 (i) by striking “24,” and

2 (ii) by inserting “36C,” after “36B.”

3 (N) Section 1613(a)(11)(A) of the Social
 4 Security Act (42 U.S.C. 1382b(a)(11)(A)) is
 5 amended by striking “section 24 of the Internal
 6 Revenue Code of 1986 (relating to child tax
 7 credit) by reason of subsection (d) thereof” and
 8 inserting “section 36C of the Internal Revenue
 9 Code of 1986 (relating to child tax credit), and
 10 any payment made to such individual (or such
 11 spouse) under section 7527A of such Code (re-
 12 lating to advance payment of child tax credit)”.

13 (c) COORDINATION WITH ADVANCE PAYMENTS OF
 14 CREDIT.—Section 7527A of the Internal Revenue Code of
 15 1986 is amended—

16 (1) in subsection (a)—

17 (A) by inserting “who have made an elec-
 18 tion under subsection (c)(1)” after “making
 19 periodic payments to taxpayers”, and

20 (B) by striking “periodic payments” each
 21 place it appears and inserting “monthly pay-
 22 ments”,

23 (2) in subsection (b)—

24 (A) in paragraph (1)—

1 (i) in the matter preceding subpara-
 2 graph (A), by striking “50 percent of the
 3 amount which would be treated as allowed
 4 under subpart C of part IV of subchapter
 5 A of chapter 1 by reason of section
 6 24(i)(1)” and inserting “the amount al-
 7 lowed under section 36C”,

8 (ii) by striking subparagraph (A), and

9 (iii) by redesignating subparagraphs
 10 (B) through (D) as subparagraphs (A)
 11 through (C), respectively,
 12 (B) in paragraph (3)—

13 (i) in subparagraph (A)(ii), by strik-
 14 ing “subpart C of part IV of subchapter A
 15 of chapter 1 by reason of section 24(i)(1)”
 16 and inserting “section 36C”, and

17 (ii) in subparagraph (B), by striking
 18 “periodic payment” each place it appears
 19 and inserting “monthly payment”,

20 (C) by striking paragraph (4), and

21 (D) by redesignating paragraph (5) as
 22 paragraph (4),

23 (3) in subsection (c), by striking paragraph (1)
 24 and inserting the following:

1 “(1) make an election to receive payments
2 under this section, and”,

3 (4) in subsection (e)(4)—

4 (A) by striking subparagraph (A) and in-
5 serting the following:

6 “(A) NONAPPLICATION FOR RESIDENTS OF
7 PUERTO RICO.—If the taxpayer (in the case of
8 a joint return, either spouse) is a bona fide resi-
9 dent of Puerto Rico (within the meaning of sec-
10 tion 937(a)) for the taxable year, the advance
11 payment amount with respect to the calendar
12 year in which such taxable year begins shall be
13 reduced to zero.”,

14 (B) in subparagraph (B), by striking “sec-
15 tion 24(k)” and inserting “section 36C(i)”, and

16 (C) in subparagraph (C)—

17 (i) in clause (i)—

18 (I) by striking “section
19 24(k)(1)(A)” and inserting “section
20 36C(i)(1)(A)”, and

21 (II) by striking “in 2021” and
22 inserting “after 2020”, and

23 (ii) in clause (ii)—

24 (I) by striking “section 24(k)(3)”
25 and inserting “section 36C(i)(3)”, and

1 (II) by striking “in 2021” and
 2 inserting “after 2020”,

3 (5) in subsection (f), by striking “with respect
 4 to” and all that follows and inserting “with respect
 5 to any period before July 1, 2021.”, and

6 (6) in subsection (g), by striking “subsections
 7 (i)(1) and (j) of section 24” and inserting “section
 8 36C”.

9 (d) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2025.

12 **SEC. 102. TAX CREDIT FOR PREGNANT MOTHERS.**

13 (a) IN GENERAL.—Subpart C of part IV of sub-
 14 chapter A of chapter 1 of the Internal Revenue Code of
 15 1986 is amended by inserting after section 36C (as redes-
 16 ignated by section 101) the following new section:

17 **“SEC. 36D. CREDIT FOR PREGNANT MOTHERS.**

18 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
 19 gible taxpayer with a qualifying unborn child, there shall
 20 be allowed as a credit against the tax imposed by this
 21 chapter for the taxable year an amount equal to the appli-
 22 cable percentage of \$2,800.

23 “(b) APPLICABLE PERCENTAGE.—

24 “(1) IN GENERAL.—For purposes of subsection
 25 (a), the applicable percentage shall be—

1 “(A) in the case of a taxpayer whose modi-
 2 fied adjusted gross income is equal to or great-
 3 er than \$10,000, 100 percent, or

4 “(B) in the case of a taxpayer whose modi-
 5 fied adjusted gross income is less than \$10,000,
 6 the amount (expressed as a percentage) equal
 7 to the quotient of—

8 “(i) the modified adjusted gross in-
 9 come of the taxpayer, divided by

10 “(ii) \$10,000.

11 “(2) LIMITATION.—The amount of the credit
 12 allowable under subsection (a) shall be reduced (but
 13 not below zero) by \$50 for each \$1,000 (or fraction
 14 thereof) by which the taxpayer’s modified adjusted
 15 gross income exceeds—

16 “(A) in the case of a joint return,
 17 \$400,000, or

18 “(B) in any other case, \$200,000.

19 “(3) MODIFIED ADJUSTED GROSS INCOME.—
 20 For purposes of this subsection, the term ‘modified
 21 adjusted gross income’ has the same meaning given
 22 such term in section 36C(b)(3).

23 “(4) ADJUSTMENT FOR INFLATION.—

24 “(A) IN GENERAL.—In the case of a tax-
 25 able year beginning after 2026, each of the

1 \$10,000 amounts in paragraph (1) shall be in-
2 creased by an amount equal to—

3 “(i) \$10,000, multiplied by

4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year in which the taxable year be-
7 gins, determined by substituting ‘2025’ for
8 ‘2016’ in subparagraph (A)(ii) thereof.

9 “(B) ROUNDING.—If any increase under
10 this paragraph is not a multiple of \$100, such
11 increase shall be rounded to the next lowest
12 multiple of \$100.

13 “(c) QUALIFYING UNBORN CHILD.—

14 “(1) IN GENERAL.—For purposes of this sec-
15 tion, the term ‘qualifying unborn child’ means an
16 unborn child whose gestational age is 20 weeks or
17 greater, as certified by a physician in accordance
18 with paragraph (2).

19 “(2) CERTIFICATION.—

20 “(A) IN GENERAL.—Upon the request of
21 the mother, a physician may make a determina-
22 tion with respect to the gestational age of the
23 unborn child. Any determination made under
24 this paragraph shall be based on the reasonable
25 medical judgment of the physician following

1 such inquiries, examinations, and tests as a rea-
2 sonably prudent physician would deem nec-
3 essary for purposes of making such determina-
4 tion.

5 “(B) FORM.—If the physician has made a
6 determination pursuant to subparagraph (A)
7 that the gestational age of the unborn child is
8 20 weeks or greater, such physician may, upon
9 the request of the mother, provide the mother
10 with a form which includes the following:

11 “(i) The gestational age and the ex-
12 pected due date of the unborn child.

13 “(ii) The name and social security
14 number of the mother.

15 “(iii) If applicable, the name and so-
16 cial security number of the spouse of such
17 mother.

18 “(iv) The name and contact informa-
19 tion of the physician.

20 “(v) A written certification from such
21 physician stating, under penalty of perjury
22 pursuant to section 1746 of title 28,
23 that—

24 “(I) the mother was determined
25 to have been pregnant with the un-

1 born child, according to standard
2 medical practice, by such physician,
3 and

4 “(II) such physician has deter-
5 mined that, in their reasonable med-
6 ical judgment, the gestational age of
7 the unborn child is 20 weeks or great-
8 er.

9 “(vi) A written certification from the
10 mother of the unborn child stating, under
11 penalty of perjury pursuant to section
12 1746 of title 28, United States Code, that
13 she—

14 “(I) is the biological mother of
15 such unborn child, or

16 “(II) initiated the pregnancy with
17 the intention of bearing and retaining
18 custody of and parental rights to such
19 child (or acted to such effect).

20 “(C) PROHIBITION.—Notwithstanding any
21 other provision of law, the certification de-
22 scribed in this paragraph shall not be used for
23 any purpose other than to determine the eligi-
24 bility of the taxpayer for the credit allowed
25 under this section.

1 “(d) APPLICATION.—

2 “(1) IN GENERAL.—In the case of the involun-
 3 tary death of an unborn child, or the death of an
 4 unborn child as a result of any treatment intended
 5 to save the life of the mother or any treatment of
 6 an ectopic pregnancy, occurring after 20 weeks ges-
 7 tation, the death of such child shall have no effect
 8 with respect to whether the credit is allowed under
 9 this section to an eligible taxpayer, provided that
 10 such taxpayer otherwise satisfies the applicable re-
 11 quirements under this section.

12 “(2) MORE THAN 1 UNBORN CHILD DURING
 13 THE SAME TAXABLE YEAR.—In the case of an eligi-
 14 ble taxpayer who—

15 “(A) has more than 1 pregnancy during a
 16 taxable year, or

17 “(B) is determined to be pregnant with
 18 more than 1 qualifying unborn child,
 19 the credit under this section shall be allowed with re-
 20 spect to each qualifying unborn child.

21 “(3) INTERACTION WITH CHILD TAX CREDIT.—

22 The allowance of a credit under this section with re-
 23 spect to a qualifying unborn child shall have no ef-
 24 fect in regards to the application of section 36C with
 25 respect to such child after the date of their birth.

1 “(e) PROHIBITION.—No credit shall be allowed under
 2 this section if an unborn child died as a result of an in-
 3 duced abortion, but not including any treatment intended
 4 to save the life of the mother or any treatment of an ec-
 5 topic pregnancy.

6 “(f) RECONCILIATION OF CREDIT AND ADVANCED
 7 PAYMENTS.—

8 “(1) IN GENERAL.—The amount of the credit
 9 allowed under this section to any taxpayer for any
 10 taxable year shall be reduced (but not below zero) by
 11 the aggregate amount of payments made under sec-
 12 tion 7527B to such taxpayer during such taxable
 13 year. Any failure to so reduce the credit shall be
 14 treated as arising out of a mathematical or clerical
 15 error and assessed according to section 6213(b)(1).

16 “(2) EXCESS ADVANCE PAYMENTS.—If the ag-
 17 gregate amount of payments under section 7527B to
 18 the taxpayer during the taxable year exceeds the
 19 amount of the credit allowed under this section to
 20 such taxpayer for such taxable year (determined
 21 without regard to paragraph (1)), the tax imposed
 22 by this chapter for such taxable year shall be in-
 23 creased by the amount of such excess. Any failure to
 24 so increase the tax shall be treated as arising out of

1 a mathematical or clerical error and assessed accord-
2 ing to section 6213(b)(1).

3 “(g) DEFINITIONS.—In this section—

4 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible
5 taxpayer’ means a taxpayer who—

6 “(A) with respect to an unborn child, is
7 the mother who—

8 “(i) carries or carried such child in
9 the womb, and

10 “(ii) is the biological mother of such
11 child or initiated the pregnancy with the
12 intention of bearing and retaining custody
13 of and parental rights to such child (or
14 acted to such effect), or

15 “(B) in the case of a joint return, is the
16 spouse of such mother,

17 but only if such taxpayer includes on the return of
18 tax for the taxable year the social security number
19 of such taxpayer (of at least 1 of such mother or
20 spouse, in the case of a joint return).

21 “(2) GESTATIONAL AGE.—The term ‘gesta-
22 tional age’ means the age of the unborn child, as
23 calculated from the first day of the mother’s last
24 menstrual period.

1 “(3) PHYSICIAN.—The term ‘physician’ means
2 an individual who is—

3 “(A) licensed to practice—

4 “(i) medicine and surgery,

5 “(ii) osteopathic medicine and sur-
6 gery, or

7 “(iii) midwifery, or

8 “(B) otherwise legally authorized to—

9 “(i) perform births and to diagnose
10 and attend miscarriages or stillbirths, and

11 “(ii) perform examinations to deter-
12 mine the gestational age of an unborn
13 child,

14 by the State in which such practice is performed.

15 “(4) REASONABLE MEDICAL JUDGMENT.—The
16 term ‘reasonable medical judgment’ means a medical
17 judgment that would be made by a reasonably pru-
18 dent physician who is knowledgeable about the case
19 and the treatment possibilities with respect to the
20 medical conditions involved.

21 “(5) SOCIAL SECURITY NUMBER.—The term
22 ‘social security number’ has the meaning given such
23 term by section 36C(e)(2).”.

1 (b) ADVANCE PAYMENTS.—Chapter 77 of the Inter-
 2 nal Revenue Code of 1986 is amended by inserting after
 3 section 7527A the following new section:

4 **“SEC. 7527B. ADVANCE PAYMENT OF CREDIT FOR PREG-**
 5 **NANT MOTHERS.**

6 “(a) IN GENERAL.—The Secretary shall establish a
 7 program for making payments to any qualified taxpayer
 8 which—

9 “(1) in the aggregate, equal the advance pay-
 10 ment amount determined with respect to such tax-
 11 payer, and

12 “(2) are scheduled to provide the amount de-
 13 scribed in paragraph (1) through monthly pay-
 14 ments—

15 “(A) beginning in the month in which an
 16 election is made by the qualified taxpayer under
 17 subsection (c), and

18 “(B) ending on the month in which the ex-
 19 pected due date of the unborn child occurs.

20 “(b) ADVANCE PAYMENT AMOUNT.—

21 “(1) IN GENERAL.—With respect to any quali-
 22 fied taxpayer, the advance payment amount shall be
 23 equal to the amount (if any) which is estimated by
 24 the Secretary as being equal to the amount of the
 25 credit which would otherwise be allowed under sec-

1 tion 36D for the taxable year beginning in the cal-
2 endar year in which such estimate is being made, ex-
3 cept that the taxpayer’s modified adjusted gross in-
4 come for such taxable year shall be deemed to be
5 equal to the taxpayer’s modified adjusted gross in-
6 come for the reference taxable year.

7 “(2) REFERENCE TAXABLE YEAR.—For pur-
8 poses of this subsection, the term ‘reference taxable
9 year’ means, with respect to any estimate made by
10 the Secretary under paragraph (1) with respect to a
11 taxpayer during any calendar year, the taxpayer’s
12 taxable year beginning in the preceding calendar
13 year or, in the case of taxpayer who did not file a
14 return of tax for such taxable year, the taxpayer’s
15 taxable year beginning in the second preceding cal-
16 endar year.

17 “(c) ELECTION.—A taxpayer shall make an election
18 to receive payments under this section in such form and
19 manner as the Secretary may prescribe, with such election
20 to include the form described in subsection (d)(3).

21 “(d) QUALIFIED TAXPAYER.—For purposes of this
22 section, the term ‘qualified taxpayer’ means any tax-
23 payer—

24 “(1) with a qualifying unborn child (as defined
25 in section 36D(c)(1)),

1 “(2) who is described in subparagraph (A) or
2 (B) of section 36D(g)(1) with respect to such child,

3 “(3) who has submitted the form described in
4 section 36D(c)(2)(B) to the Secretary with respect
5 to such child, and

6 “(4) who has made an election under subsection
7 (c).

8 “(e) PAYMENTS AFTER BIRTH.—Notwithstanding
9 subsection (a)(2)(B), payments made to any qualified tax-
10 payer under this section shall be made after the date of
11 the birth of the child if needed to ensure that the aggre-
12 gate amount of such payments satisfy the requirement
13 under subsection (a)(1).

14 “(f) REGULATIONS.—The Secretary shall issue such
15 regulations or other guidance as the Secretary determines
16 necessary or appropriate to carry out this subsection and,
17 to the extent practicable, to align the payment program
18 established under this section with the payment program
19 established under section 7527A.”.

20 (c) CLERICAL AMENDMENTS.—

21 (1) CREDIT FOR PREGNANT MOTHERS.—The
22 table of sections for subpart C of part IV of sub-
23 chapter A of chapter 1 of the Internal Revenue Code
24 of 1986 is amended by inserting after the item relat-
25 ing to section 36C the following new item:

“Sec. 36D. Credit for pregnant mothers.”.

1 (2) ADVANCE PAYMENT OF CREDIT FOR PREG-
 2 NANT MOTHERS.—The table of sections for chapter
 3 77 of such Code is amended by inserting after the
 4 item relating to section 7527A the following new
 5 item:

“Sec. 7527B. Advance payment of credit for pregnant mothers.”.

6 (d) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years beginning after
 8 December 31, 2025.

9 **TITLE II—OTHER AMENDMENTS**
 10 **TO THE INTERNAL REVENUE**
 11 **CODE OF 1986**

12 **SEC. 201. SIMPLIFICATION OF EARNED INCOME CREDIT**
 13 **FOR TAXPAYERS WITH CHILDREN.**

14 (a) ADDITIONAL LIMITATION.—Paragraph (2) of sec-
 15 tion 32(a) of the Internal Revenue Code of 1986 is amend-
 16 ed to read as follows:

17 “(2) LIMITATION.—The amount of the credit
 18 allowable to a taxpayer under paragraph (1) for any
 19 taxable year shall not exceed the lesser of—

20 “(A) the excess (if any) of—

21 “(i) the credit percentage of the
 22 earned income amount, over

23 “(ii) the phaseout percentage of so
 24 much of the adjusted gross income (or, if
 25 greater, the earned income) of the taxpayer

1 for the taxable year as exceeds the phase-
 2 out amount, or

3 “(B) an amount equal to—

4 “(i) in the case of any taxpayer with
 5 no qualifying children—

6 “(I) who is not filing a joint re-
 7 turn, \$700, or

8 “(II) who is filing a joint return,
 9 \$1,400, or

10 “(ii) in the case of any taxpayer with
 11 1 or more qualifying children—

12 “(I) who is not filing a joint re-
 13 turn, \$4,300, or

14 “(II) who is filing a joint return,
 15 \$5,000.”.

16 (b) CREDIT PERCENTAGE AND PHASEOUT PERCENT-
 17 AGE.—The table contained in paragraph (1) of section
 18 32(b) of the Internal Revenue Code of 1986 is amended—

19 (1) by striking “1 qualifying child” in the first
 20 row and inserting “1 or more qualifying children”,

21 (2) by striking “15.98” in the first row and in-
 22 serting “25”,

23 (3) by striking the second and third rows, and

24 (4) by striking “7.65” in the third column of
 25 the last row and inserting “10”.

1 (c) EARNED INCOME AND PHASEOUT AMOUNTS.—

2 The table contained in subparagraph (A) of section
3 32(b)(2) of the Internal Revenue Code of 1986 is amend-
4 ed—

5 (1) by striking “1 qualifying child” in the first
6 row and inserting “1 or more qualifying children”,

7 (2) by striking “\$6,330” in the first row and
8 inserting “\$12,647”,

9 (3) by striking “\$11,610” in the first row and
10 inserting “\$33,000”,

11 (4) by striking the second row,

12 (5) by striking “\$4,220” in the last row and in-
13 serting “\$9,150”, and

14 (6) by striking “\$5,280” in the last row and in-
15 serting “\$10,000”.

16 (d) JOINT RETURNS.—Subparagraph (B) of section
17 32(b)(2) of the Internal Revenue Code of 1986 is amended
18 by striking “\$5,000” and inserting “\$10,000, and the
19 earned income amount determined under subparagraph
20 (A) shall be increased—

21 “(i) by \$2,059, in the case of a tax-
22 payer with 1 or more qualifying children,
23 and

24 “(ii) by \$9,151, in the case of a tax-
25 payer with no qualifying children.”.

1 (e) INFLATION ADJUSTMENT.—Paragraph (1) of sec-
 2 tion 32(j) of the Internal Revenue Code of 1986 is amend-
 3 ed—

4 (1) by striking “2015” and inserting “2026”,

5 (2) by striking clauses (i) and (ii) of subpara-
 6 graph (B) thereof and redesignating clause (iii) of
 7 such subparagraph as clause (ii), and

8 (3) by inserting before clause (ii) of subpara-
 9 graph (B) thereof, as so redesignated, the following
 10 new clause:

11 “(i) in the case of amounts in sub-
 12 section (b)(2), ‘calendar year 2025’ for
 13 ‘calendar year 2016’, and”.

14 (f) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Subject to paragraph (2),
 16 the amendments made by this section shall apply to
 17 taxable years beginning after December 31, 2025.

18 (2) NONAPPLICATION TO EXEMPTED CHIL-
 19 DREN.—

20 (A) IN GENERAL.—Subject to subpara-
 21 graph (B), in the case of any eligible individual
 22 (as defined in section 32(c)(1) of the Internal
 23 Revenue Code of 1986) who has any qualifying
 24 children for the taxable year who are exempted
 25 children, section 32 of the Internal Revenue

1 Code of 1986 shall be applied with respect to
2 such eligible individual as if the amendments
3 made by subsections (a) through (e) of this sec-
4 tion had not been enacted.

5 (B) SEPARATE APPLICATION.—In the case
6 of any eligible individual (as so defined) who
7 has—

8 (i) any qualifying children for the tax-
9 able year who are not exempted children,
10 and

11 (ii) any qualifying children for such
12 taxable year who are exempted children,
13 section 32 of the Internal Revenue Code of
14 1986 shall be applied separately with respect to
15 the children described in clause (i) and (pursu-
16 ant to the rules described in subparagraph (A))
17 the children described in clause (ii).

18 (C) EXEMPTED CHILD.—For purposes of
19 this paragraph, the term “exempted child”
20 means an individual who is described in sub-
21 paragraph (A)(ii) or (B) of section 152(c)(3).

1 **SEC. 202. ELIMINATION OF ADDITIONAL EXEMPTION FOR**
 2 **DEPENDENTS.**

3 (a) IN GENERAL.—Paragraph (5) of section 151(d)
 4 of the Internal Revenue Code of 1986 is amended to read
 5 as follows:

6 “(5) ELIMINATION OF ADDITIONAL EXEMPTION
 7 FOR DEPENDENTS FOR TAXABLE YEARS AFTER
 8 2025.—In the case of a taxable year beginning after
 9 December 31, 2025—

10 “(A) IN GENERAL.—For purposes of sub-
 11 section (c), the term ‘exemption amount’ means
 12 zero.

13 “(B) REFERENCES.—For purposes of any
 14 other provision of this title, the reduction of the
 15 exemption amount to zero under subparagraph
 16 (A) shall not be taken into account in deter-
 17 mining whether a deduction is allowed or allow-
 18 able, or whether a taxpayer is entitled to a de-
 19 duction, under this section.”.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 2025.

23 **SEC. 203. ELIMINATION OF HEAD OF HOUSEHOLD FILING**
 24 **STATUS.**

25 (a) IN GENERAL.—Section 1 of the Internal Revenue
 26 Code of 1986 is amended—

1 (1) by striking subsection (b),

2 (2) in subsection (c)—

3 (A) in the heading, by striking “AND
4 HEADS OF HOUSEHOLDS”, and

5 (B) by striking “or the head of a house-
6 hold as defined in section 2(b)”,

7 (3) in subsection (f), by striking “(b),” each
8 place it appears,

9 (4) in subsection (i)—

10 (A) in paragraph (1)—

11 (i) in subparagraph (A)(i), by striking
12 “(b),”,

13 (ii) in subparagraph (B)—

14 (I) in clause (i), by adding “and”
15 at the end,

16 (II) by striking clause (ii), and

17 (III) by redesignating clause (iii)
18 as clause (ii), and

19 (iii) in subparagraph (C), by striking
20 “subparagraph (B)(iii)” and inserting
21 “subparagraph (B)(ii)”,

22 (B) in paragraph (2), by striking “(b),”,

23 and

24 (C) in paragraph (3)—

- 1 (i) in subparagraph (A), by striking
- 2 “(b),”,
- 3 (ii) in subparagraph (B)—
- 4 (I) by striking clause (ii), and
- 5 (II) by redesignating clauses (iii)
- 6 and (iv) as clauses (ii) and (iii), re-
- 7 spectively, and
- 8 (iii) in subparagraph (C), by striking
- 9 “clauses (i), (ii), and (iii)” and inserting
- 10 “clauses (i) and (ii)”, and
- 11 (5) in subsection (j)—
- 12 (A) in paragraph (2)—
- 13 (i) by striking subparagraph (B), and
- 14 (ii) in subparagraph (C), by striking
- 15 “AND HEADS OF HOUSEHOLDS” in the
- 16 heading,
- 17 (B) in paragraph (3)(B)(ii), by striking
- 18 “or head of household”, and
- 19 (C) in paragraph (5)(B)—
- 20 (i) in clause (i)—
- 21 (I) by striking subclause (II),
- 22 and
- 23 (II) by redesignating subclauses
- 24 (III) and (IV) as subclauses (II) and
- 25 (III), respectively, and

1 (ii) in clause (ii)—

2 (I) by striking subclause (II),

3 and

4 (II) by redesignating subclauses

5 (III) and (IV) as subclauses (II) and

6 (III), respectively.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Paragraph (2) of section 25B(b) of the In-
9 ternal Revenue Code of 1986 is amended to read as
10 follows:

11 “(2) OTHER RETURNS.—In the case of any tax-
12 payer not described in paragraph (1), the applicable
13 percentage shall be determined under paragraph (1)
14 except that such paragraph shall be applied by sub-
15 stituting for each dollar amount therein (as adjusted
16 under paragraph (3)) a dollar amount equal to 50
17 percent of such dollar amount.”.

18 (2) Section 25E(b)(2) of such Code is amend-
19 ed—

20 (A) in subparagraph (A), by adding “and”
21 at the end, and

22 (B) by striking subparagraphs (B) and (C)
23 and inserting the following:

24 “(B) in the case of a taxpayer not de-
25 scribed in subparagraph (A), \$75,000.”.

1 (3) Section 30D(f)(10)(B) of such Code is
2 amended—

3 (A) in clause (i), by adding “and” at the
4 end, and

5 (B) by striking clauses (ii) and (iii) and in-
6 serting the following:

7 “(ii) in the case of a taxpayer not de-
8 scribed in clause (i), \$150,000.”.

9 (4) Section 36B(b)(3)(B)(ii)(I)(aa) of such
10 Code is amended by striking “and heads of house-
11 holds”.

12 (5) Section 63(c) of such Code is amended—

13 (A) in paragraph (2)—

14 (i) in subparagraph (A)(ii), by adding
15 “or” at the end,

16 (ii) by striking subparagraph (B), and

17 (iii) by redesignating subparagraph

18 (C) as subparagraph (B),

19 (B) in paragraph (4), by striking “,

20 (2)(C),” each place it appears, and

21 (C) in paragraph (7)—

22 (i) by striking subparagraph (A) and

23 inserting the following:

“(A) INCREASE IN STANDARD DEDUC-
TION.—Paragraph (2)(B) shall be applied by
substituting ‘\$12,000’ for ‘\$3,000’.”, and

(ii) in subparagraph (B)—

(I) in clause (i), by striking
“paragraphs (2)(B) and (2)(C)” and
inserting “paragraph (2)(B)”, and

(II) in clause (ii), by striking
“\$18,000 and \$12,000 amounts” and
inserting “\$12,000 amount”.

(6) Section 68(b) of such Code is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (B),

(ii) in subparagraph (C), by striking
“or head of household”, and

(iii) by redesignating subparagraphs
(C) and (D) as subparagraphs (B) and
(C), respectively, and

(B) in paragraph (2), by striking “sub-
paragraphs (A), (B), and (C)” and inserting
“subparagraphs (A) and (B)”.

(7) Section 904(b)(3)(E)(i)(I) of such Code is
amended by striking “(b),”.

(8) Section 6012(a)(1) of such Code is amend-
ed—

1 (A) in subparagraph (A)—

2 (i) in clause (i), by striking “is not a
3 head of a household (as defined in section
4 2(b)),”,

5 (ii) by striking clause (ii),

6 (iii) by redesignating clauses (iii) and
7 (iv) as clauses (ii) and (iii), respectively,
8 and

9 (iv) in the flush text at the end, by
10 striking “Clause (iv)” and inserting
11 “Clause (iii)”, and

12 (B) in subparagraph (B)—

13 (i) by striking “clause (i), (ii), or
14 (iii)” and inserting “clause (i) or (ii)”, and

15 (ii) by striking “clause (iv)” and in-
16 serting “clause (iii)”.

17 (9) Subparagraph (B) of section 6433(b)(3) of
18 such Code is amended to read as follows:

19 “(B) OTHER RETURNS.—In the case of
20 any taxpayer who is not filing a joint return
21 and who is not a surviving spouse (as defined
22 in section 2(a)), the applicable dollar amount
23 and the phaseout range shall be $\frac{1}{2}$ of the
24 amounts applicable under subparagraph (A) (as
25 so adjusted).”.

1 (10) Subsection (g) of section 6695 of such
2 Code is amended to read as follows:

3 “(g) FAILURE TO BE DILIGENT IN DETERMINING
4 ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person
5 who is a tax return preparer with respect to any return
6 or claim for refund who fails to comply with due diligence
7 requirements imposed by the Secretary by regulations with
8 respect to determining eligibility for, or the amount of,
9 the credit allowable by section 24, 25A(a)(1), or 32, shall
10 pay a penalty of \$500 for each such failure.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

14 **SEC. 204. EXCLUSION OF CHILDREN FROM CREDIT FOR EX-**
15 **PENSES FOR HOUSEHOLD AND DEPENDENT**
16 **CARE SERVICES NECESSARY FOR GAINFUL**
17 **EMPLOYMENT.**

18 (a) IN GENERAL.—Section 21 of the Internal Rev-
19 enue Code of 1986 is amended—

20 (1) in subsection (b)—

21 (A) in paragraph (1)—

22 (i) by striking subparagraph (A),

23 (ii) in subparagraph (B), by inserting

24 “who has attained age 18 and” before

1 “who is physically or mentally incapable”,
 2 and

3 (iii) by redesignating subparagraphs
 4 (B) and (C) as subparagraphs (A) and
 5 (B), respectively, and

6 (B) in paragraph (2), by striking subpara-
 7 graph (B) and inserting the following:

8 “(B) EXCEPTION.—Employment-related
 9 expenses described in subparagraph (A) which
 10 are incurred for services outside the taxpayer’s
 11 household shall be taken into account only if in-
 12 curred for the care of a qualifying individual
 13 who regularly spends at least 8 hours each day
 14 in the taxpayer’s household.”,

15 (2) in subsection (d)(2), by striking “subsection
 16 (b)(1)(C)” and inserting “subsection (b)(1)(B)”, and
 17 (3) in subsection (e)(5)—

18 (A) in subparagraph (B), by striking “is
 19 under the age of 13 or” and inserting “has at-
 20 tained age 18 and”, and

21 (B) in the flush text at the end, by striking
 22 “subparagraph (A) or (B) of subsection (b)(1)
 23 (whichever is appropriate)” and inserting “sub-
 24 section (b)(1)(A)”.

1 (b) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2025.

4 **SEC. 205. LIMITATION ON DEDUCTION FOR STATE AND**
 5 **LOCAL TAXES OF INDIVIDUALS.**

6 (a) IN GENERAL.—Paragraph (6) of section 164(b)
 7 of the Internal Revenue Code of 1986 is amended to read
 8 as follows:

9 “(6) LIMITATION ON INDIVIDUAL DEDUCTIONS
 10 FOR TAXABLE YEARS AFTER 2025.—

11 “(A) IN GENERAL.—In the case of an indi-
 12 vidual and a taxable year beginning after De-
 13 cember 31, 2025—

14 “(i) foreign real property taxes shall
 15 not be taken into account under subsection
 16 (a)(1), and

17 “(ii) the aggregate amount of taxes
 18 taken into account under paragraphs (1),
 19 (2), and (3) of subsection (a) and para-
 20 graph (5) of this subsection for any tax-
 21 able year shall not exceed \$30,000
 22 (\$15,000 in the case of a married indi-
 23 vidual filing a separate return).

24 “(B) EXCEPTIONS.—Subparagraph (A)
 25 shall not apply to—

1 “(i) any foreign taxes described in
2 subsection (a)(3), or

3 “(ii) any taxes described in paragraph
4 (1) and (2) of subsection (a) which are
5 paid or accrued in carrying on a trade or
6 business or an activity described in section
7 212.

8 “(C) SPECIAL RULE.—For purposes of
9 subparagraph (A)(ii), an amount paid in a tax-
10 able year beginning before January 1, 2026,
11 with respect to a State or local income tax im-
12 posed for a taxable year beginning after Decem-
13 ber 31, 2025, shall be treated as paid on the
14 last day of the taxable year for which such tax
15 is so imposed.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to taxable years beginning after
18 December 31, 2025.

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