

119TH CONGRESS
1ST SESSION

S. 1382

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

APRIL 9, 2025

Mr. BANKS 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 First 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 17 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),

2 (3) in subsection (k)—

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

5 “(2) PUERTO RICO.—In the case of any bona
6 fide resident of Puerto Rico (within the meaning of
7 section 937(a)), the credit determined under this
8 section shall be allowable to such resident.”, and

9 (B) in paragraph (3)—

10 (i) in subparagraph (A), by striking
11 “and without regard to the application of
12 this section to bona fide residents of Puer-
13 to Rico under subsection (i)(1)”, and

14 (ii) in subparagraph (C), by striking
15 clause (ii) and inserting the following:

16 “(ii) APPLICATION OF SECTION IN
17 EVENT OF ABSENCE OF APPROVED
18 PLAN.—In the case of a taxable year with
19 respect to which a plan is not approved
20 under subparagraph (B), rules similar to
21 the rules of paragraph (2) shall apply with
22 respect to bona fide residents of American
23 Samoa (within the meaning of section
24 937(a)).”, and

1 (4) by redesignating subsection (k) (as amended
2 by paragraph (3)) as subsection (h).

3 (b) TREATMENT AS FULLY REFUNDABLE.—

4 (1) CREDIT MOVED TO SUBPART RELATING TO
5 REFUNDABLE CREDITS.—

6 (A) IN GENERAL.—The Internal Revenue
7 Code of 1986 is amended—

8 (i) by redesignating section 24, as
9 amended by this section, as section 36C,
10 and

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

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

21 (C) CLERICAL AMENDMENTS.—

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

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

“Sec. 36C. Child tax credit.”.

5 (2) CONFORMING AMENDMENTS.—

6 (A) Section 26(b)(2) of such Code is
 7 amended—

8 (i) by striking “, and” at the end of
 9 subparagraph (Y) and inserting a period,

10 (ii) by inserting “and” at the end of
 11 subparagraph (X), and

12 (iii) by striking subparagraph (Z).

13 (B) Section 45R(f)(3)(B) of such Code is
 14 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(h)”.

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) Section 501(c)(26) of such Code is
 5 amended in the flush matter at the end by
 6 striking “section 24(c))” and inserting “section
 7 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”.

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

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

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

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

21 (iii) by striking “, 6428, 6428A,
 22 6428B, and 7527A”.

23 (I) Section 6213(g)(2) of such Code is
 24 amended—

1 (i) in subparagraph (I), by striking
 2 “correct TIN required under section
 3 24(e)” and inserting “correct social secu-
 4 rity number required under section
 5 36C(e”),

6 (ii) in subparagraph (L)—

7 (I) by striking “24, or 32” and
 8 inserting “32, or 36C”, and

9 (II) by striking “TIN” each place
 10 it appears and inserting “TIN or so-
 11 cial security number”, and

12 (iii) in subparagraph (P)—

13 (I) by striking “24(g)(2)” and in-
 14 serting “36C(g)(2)”, and

15 (II) by striking “section 24” and
 16 inserting “section 36C”.

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

21 (K) Section 6417(f) of such Code is
 22 amended by striking “section 24(k)” and in-
 23 serting “section 36C(h)”.

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

4 (M) Section 1324(b)(2) of title 31, United
 5 States Code, is amended—

6 (i) by striking “24,” and

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

8 (N) Section 1613(a)(11)(A) of the Social
 9 Security Act (42 U.S.C. 1382b(a)(11)(A)) is
 10 amended by striking “section 24 of the Internal
 11 Revenue Code of 1986 (relating to child tax
 12 credit) by reason of subsection (d) thereof” and
 13 inserting “section 36C of the Internal Revenue
 14 Code of 1986 (relating to child tax credit)”.

15 (O) Chapter 77 of such Code is amended
 16 by striking section 7527A (and the item relat-
 17 ing to such section in the table of sections for
 18 such chapter).

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

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

23 (a) IN GENERAL.—Subpart C of part IV of sub-
 24 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36C (as redes-
 2 ignated by section 101) the following new section:

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

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

9 “(b) APPLICABLE PERCENTAGE.—

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

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

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

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

21 “(ii) \$10,000.

22 “(2) LIMITATION.—The amount of the credit
 23 allowable under subsection (a) shall be reduced (but
 24 not below zero) by \$50 for each \$1,000 (or fraction

1 thereof) by which the taxpayer’s modified adjusted
2 gross income exceeds—

3 “(A) in the case of a joint return,
4 \$400,000, or

5 “(B) in any other case, \$200,000.

6 “(3) MODIFIED ADJUSTED GROSS INCOME.—

7 For purposes of this subsection, the term ‘modified
8 adjusted gross income’ has the same meaning given
9 such term in section 36C(b)(3).

10 “(4) ADJUSTMENT FOR INFLATION.—

11 “(A) IN GENERAL.—In the case of a tax-
12 able year beginning after 2026, each of the
13 \$10,000 amounts in paragraph (1) shall be in-
14 creased by an amount equal to—

15 “(i) \$10,000, multiplied by

16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year in which the taxable year be-
19 gins, determined by substituting ‘2025’ for
20 ‘2016’ in subparagraph (A)(ii) thereof.

21 “(B) ROUNDING.—If any increase under
22 this paragraph is not a multiple of \$100, such
23 increase shall be rounded to the next lowest
24 multiple of \$100.

25 “(c) QUALIFYING UNBORN CHILD.—

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

6 “(2) CERTIFICATION.—

7 “(A) IN GENERAL.—Upon the request of
8 the mother, a physician may make a determina-
9 tion with respect to the gestational age of the
10 unborn child. Any determination made under
11 this paragraph shall be based on the reasonable
12 medical judgment of the physician following
13 such inquiries, examinations, and tests as a rea-
14 sonably prudent physician would deem nec-
15 essary for purposes of making such determina-
16 tion.

17 “(B) FORM.—If the physician has made a
18 determination pursuant to subparagraph (A)
19 that the gestational age of the unborn child is
20 20 weeks or greater, such physician may, upon
21 the request of the mother, provide the mother
22 with a form which includes the following:

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

1 “(ii) The name and social security
2 number of the mother.

3 “(iii) If applicable, the name and so-
4 cial security number of the spouse of such
5 mother.

6 “(iv) The name and contact informa-
7 tion of the physician.

8 “(v) A written certification from such
9 physician stating, under penalty of perjury
10 pursuant to section 1746 of title 28,
11 that—

12 “(I) the mother was determined
13 to have been pregnant with the un-
14 born child, according to standard
15 medical practice, by such physician,
16 and

17 “(II) such physician has deter-
18 mined that, in their reasonable med-
19 ical judgment, the gestational age of
20 the unborn child is 20 weeks or great-
21 er.

22 “(vi) A written certification from the
23 mother of the unborn child stating, under
24 penalty of perjury pursuant to section

1 1746 of title 28, United States Code, that
2 she—

3 “(I) is the biological mother of
4 such unborn child, or

5 “(II) initiated the pregnancy with
6 the intention of bearing and retaining
7 custody of and parental rights to such
8 child (or acted to such effect).

9 “(C) PROHIBITION.—Notwithstanding any
10 other provision of law, the certification de-
11 scribed in this paragraph shall not be used for
12 any purpose other than to determine the eligi-
13 bility of the taxpayer for the credit allowed
14 under this section.

15 “(d) APPLICATION.—

16 “(1) IN GENERAL.—In the case of the involun-
17 tary death of an unborn child, or the death of an
18 unborn child as a result of any treatment intended
19 to save the life of the mother or any treatment of
20 an ectopic pregnancy, occurring after 20 weeks ges-
21 tation, the death of such child shall have no effect
22 with respect to whether the credit is allowed under
23 this section to an eligible taxpayer, provided that
24 such taxpayer otherwise satisfies the applicable re-
25 quirements under this section.

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

4 “(A) has more than 1 pregnancy during a
5 taxable year, or

6 “(B) is determined to be pregnant with
7 more than 1 qualifying unborn child,
8 the credit under this section shall be allowed with re-
9 spect to each qualifying unborn child.

10 “(3) INTERACTION WITH CHILD TAX CREDIT.—
11 The allowance of a credit under this section with re-
12 spect to a qualifying unborn child shall have no ef-
13 fect in regards to the application of section 36C with
14 respect to such child after the date of their birth.

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

20 “(f) DEFINITIONS.—In this section—

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

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

1 “(i) carries or carried such child in
2 the womb, and

3 “(ii) is the biological mother of such
4 child or initiated the pregnancy with the
5 intention of bearing and retaining custody
6 of and parental rights to such child (or
7 acted to such effect), or

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

10 but only if such taxpayer includes on the return of
11 tax for the taxable year the social security number
12 of such taxpayer (of at least 1 of such mother or
13 spouse, in the case of a joint return).

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

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

20 “(A) licensed to practice—

21 “(i) medicine and surgery,

22 “(ii) osteopathic medicine and sur-
23 gery, or

24 “(iii) midwifery, or

25 “(B) otherwise legally authorized to—

1 “(i) perform births and to diagnose
 2 and attend miscarriages or stillbirths, and
 3 “(ii) perform examinations to deter-
 4 mine the gestational age of an unborn
 5 child,
 6 by the State in which such practice is performed.

7 “(4) REASONABLE MEDICAL JUDGMENT.—The
 8 term ‘reasonable medical judgment’ means a medical
 9 judgment that would be made by a reasonably pru-
 10 dent physician who is knowledgeable about the case
 11 and the treatment possibilities with respect to the
 12 medical conditions involved.

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

16 (b) CLERICAL AMENDMENT.—The table of sections
 17 for subpart C of part IV of subchapter A of chapter 1
 18 of the Internal Revenue Code of 1986 is amended by in-
 19 serting after the item relating to section 36C the following
 20 new item:

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

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

1 **TITLE II—OTHER AMENDMENTS**
2 **TO THE INTERNAL REVENUE**
3 **CODE OF 1986**

4 **SEC. 201. SIMPLIFICATION OF EARNED INCOME CREDIT**
5 **FOR TAXPAYERS WITH CHILDREN.**

6 (a) **ADDITIONAL LIMITATION.**—Section 32(a)(2) of
7 the Internal Revenue Code of 1986 is amended to read
8 as follows:

9 “(2) **LIMITATION.**—The amount of the credit
10 allowable to a taxpayer under paragraph (1) for any
11 taxable year shall not exceed the lesser of—

12 “(A) the excess (if any) of—

13 “(i) the credit percentage of the
14 earned income amount, over

15 “(ii) the phaseout percentage of so
16 much of the adjusted gross income (or, if
17 greater, the earned income) of the taxpayer
18 for the taxable year as exceeds the phase-
19 out amount, or

20 “(B) an amount equal to—

21 “(i) in the case of any taxpayer with
22 no qualifying children—

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

1 “(II) who is filing a joint return,
 2 \$1,400, or
 3 “(ii) in the case of any taxpayer with
 4 1 or more qualifying children—
 5 “(I) who is not filing a joint re-
 6 turn, \$4,300, or
 7 “(II) who is filing a joint return,
 8 \$5,000.”.

9 (b) CREDIT PERCENTAGE AND PHASEOUT PERCENT-
 10 AGE.—The table contained in section 32(b)(1) of the In-
 11 ternal Revenue Code of 1986 is amended—

12 (1) by striking “1 qualifying child” in the first
 13 row and inserting “1 or more qualifying children”,
 14 (2) by striking “15.98” in the first row and in-
 15 serting “25”,
 16 (3) by striking the second and third rows, and
 17 (4) by striking “7.65” in the third column of
 18 the last row and inserting “10”.

19 (c) EARNED INCOME AND PHASEOUT AMOUNTS.—
 20 The table contained in section 32(b)(2)(A) of the Internal
 21 Revenue Code of 1986 is amended—

22 (1) by striking “1 qualifying child” in the first
 23 row and inserting “1 or more qualifying children”,
 24 (2) by striking “\$6,330” in the first row and
 25 inserting “\$12,647”,

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

3 (4) by striking the second row,

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

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

8 (d) JOINT RETURNS.—Section 32(b)(2)(B) of the In-
9 ternal Revenue Code of 1986 is amended by striking
10 “\$5,000” and inserting “\$10,000, and the earned income
11 amount determined under subparagraph (A) shall be in-
12 creased—

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

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

18 (e) INFLATION ADJUSTMENT.—Section 32(j)(1) of
19 the Internal Revenue Code of 1986 is amended—

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

21 (2) by striking clauses (i) and (ii) of subpara-
22 graph (B) thereof and redesignating clause (iii) of
23 such subparagraph as clause (ii), and

(3) by inserting before clause (ii) of subparagraph (B) thereof, as so redesignated, the following new clause:

“(i) in the case of amounts in subsection (b)(2), ‘calendar year 2025’ for ‘calendar year 2016’, and”.

(f) EFFECTIVE DATE.—

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

(2) NONAPPLICATION TO EXEMPTED CHILDREN.—

(A) IN GENERAL.—Subject to subparagraph (B), in the case of any eligible individual (as defined in section 32(c)(1) of the Internal Revenue Code of 1986) who has any qualifying children for the taxable year who are exempted children, section 32 of the Internal Revenue Code of 1986 shall be applied with respect to such eligible individual as if the amendments made by subsections (a) through (e) of this section had not been enacted.

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

1 (i) any qualifying children for the tax-
 2 able year who are not exempted children,
 3 and

4 (ii) any qualifying children for such
 5 taxable year who are exempted children,
 6 section 32 of the Internal Revenue Code of
 7 1986 shall be applied separately with respect to
 8 the children described in clause (i) and (pursu-
 9 ant to the rules described in subparagraph (A))
 10 the children described in clause (ii).

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

15 **SEC. 202. ELIMINATION OF ADDITIONAL EXEMPTION FOR**
 16 **DEPENDENTS.**

17 (a) IN GENERAL.—Section 151(d)(5) of the Internal
 18 Revenue Code of 1986 is amended to read as follows:

19 “(5) ELIMINATION OF ADDITIONAL EXEMPTION
 20 FOR DEPENDENTS FOR TAXABLE YEARS AFTER
 21 2025.—In the case of a taxable year beginning after
 22 December 31, 2025—

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

1 “(B) REFERENCES.—For purposes of any
 2 other provision of this title, the reduction of the
 3 exemption amount to zero under subparagraph
 4 (A) shall not be taken into account in deter-
 5 mining whether a deduction is allowed or allow-
 6 able, or whether a taxpayer is entitled to a de-
 7 duction, under this section.”.

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

11 **SEC. 203. ELIMINATION OF HEAD OF HOUSEHOLD FILING**
 12 **STATUS.**

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

15 (1) by striking subsection (b),

16 (2) in subsection (c)—

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

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

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

23 (4) in subsection (i)—

24 (A) in paragraph (1)—

- 1 (i) in subparagraph (A)(i), by striking
- 2 “(b),”,
- 3 (ii) in subparagraph (B)—
- 4 (I) in clause (i), by adding “and”
- 5 at the end,
- 6 (II) by striking clause (ii), and
- 7 (III) by redesignating clause (iii)
- 8 as clause (ii), and
- 9 (iii) in subparagraph (C), by striking
- 10 “subparagraph (B)(iii)” and inserting
- 11 “subparagraph (B)(ii)”,
- 12 (B) in paragraph (2), by striking “(b),”,
- 13 and
- 14 (C) in paragraph (3)—
- 15 (i) in subparagraph (A), by striking
- 16 “(b),”,
- 17 (ii) in subparagraph (B)—
- 18 (I) by striking clause (ii), and
- 19 (II) by redesignating clauses (iii)
- 20 and (iv) as clauses (ii) and (iii), re-
- 21 spectively, and
- 22 (iii) in subparagraph (C), by striking
- 23 “clauses (i), (ii), and (iii)” and inserting
- 24 “clauses (i) and (ii)”, and
- 25 (5) in subsection (j)—

1 (A) in paragraph (2)—

2 (i) by striking subparagraph (B), and

3 (ii) in subparagraph (C), by striking

4 “AND HEADS OF HOUSEHOLDS” in the
5 heading,

6 (B) in paragraph (3)(B)(ii), by striking

7 “or head of household”, and

8 (C) in paragraph (5)(B)—

9 (i) in clause (i)—

10 (I) by striking subclause (II),

11 and

12 (II) by redesignating subclauses

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

14 (III), respectively, and

15 (ii) in clause (ii)—

16 (I) by striking subclause (II),

17 and

18 (II) by redesignating subclauses

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

20 (III), respectively.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 25B(b)(2) of the Internal Revenue
23 Code of 1986 is amended to read as follows:

24 “(2) OTHER RETURNS.—In the case of any tax-
25 payer not described in paragraph (1), the applicable

1 percentage shall be determined under paragraph (1)
 2 except that such paragraph shall be applied by sub-
 3 stituting for each dollar amount therein (as adjusted
 4 under paragraph (3)) a dollar amount equal to 50
 5 percent of such dollar amount.”.

6 (2) Section 25E(b)(2) of such Code is amend-
 7 ed—

8 (A) in subparagraph (A), by adding “and”
 9 at the end, and

10 (B) by striking subparagraphs (B) and (C)
 11 and inserting the following:

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

14 (3) Section 30D(f)(10)(B) of such Code is
 15 amended—

16 (A) in clause (i), by adding “and” at the
 17 end, and

18 (B) by striking clauses (ii) and (iii) and in-
 19 serting the following:

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

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

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

1 (A) in paragraph (2)—

2 (i) in subparagraph (A)(ii), by adding

3 “or” at the end,

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

5 (iii) by redesignating subparagraph

6 (C) as subparagraph (B),

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

8 (2)(C),” each place it appears, and

9 (C) in paragraph (7)—

10 (i) by striking subparagraph (A) and

11 inserting the following:

12 “(A) INCREASE IN STANDARD DEDUC-

13 TION.—Paragraph (2)(B) shall be applied by

14 substituting ‘\$12,000’ for ‘\$3,000’., and

15 (ii) in subparagraph (B)—

16 (I) in clause (i), by striking

17 “paragraphs (2)(B) and (2)(C)” and

18 inserting “paragraph (2)(B)”, and

19 (II) in clause (ii), by striking

20 “\$18,000 and \$12,000 amounts” and

21 inserting “\$12,000 amount”.

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

23 (A) in paragraph (1)—

24 (i) by striking subparagraph (B),

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

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

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

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

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

13 (A) in subparagraph (A)—

14 (i) in clause (i), by striking “is not a
15 head of a household (as defined in section
16 2(b)),”,

17 (ii) by striking clause (ii),

18 (iii) by redesignating clauses (iii) and
19 (iv) as clauses (ii) and (iii), respectively,
20 and

21 (iv) in the flush text at the end, by
22 striking “Clause (iv)” and inserting
23 “Clause (iii)”, and

24 (B) in subparagraph (B)—

1 (i) by striking “clause (i), (ii), or
 2 (iii)” and inserting “clause (i) or (ii)”, and
 3 (ii) by striking “clause (iv)” and in-
 4 serting “clause (iii)”.

5 (9) Section 6433(b)(3)(B) of such Code is
 6 amended to read as follows:

7 “(B) OTHER RETURNS.—In the case of
 8 any taxpayer who is not filing a joint return
 9 and who is not a surviving spouse (as defined
 10 in section 2(a)), the applicable dollar amount
 11 and the phaseout range shall be $\frac{1}{2}$ of the
 12 amounts applicable under subparagraph (A) (as
 13 so adjusted).”.

14 (10) Section 6695(g) of such Code is amended
 15 to read as follows:

16 “(g) FAILURE TO BE DILIGENT IN DETERMINING
 17 ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person
 18 who is a tax return preparer with respect to any return
 19 or claim for refund who fails to comply with due diligence
 20 requirements imposed by the Secretary by regulations with
 21 respect to determining eligibility for, or the amount of,
 22 the credit allowable by section 25A(a)(1), 32, or 36C shall
 23 pay a penalty of \$500 for each such failure.”.

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

4 **SEC. 204. EXCLUSION OF CHILDREN FROM CREDIT FOR EX-**
 5 **PENSES FOR HOUSEHOLD AND DEPENDENT**
 6 **CARE SERVICES NECESSARY FOR GAINFUL**
 7 **EMPLOYMENT.**

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

10 (1) in subsection (b)—

11 (A) in paragraph (1)—

12 (i) by striking subparagraph (A),

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

14 “who has attained age 17 and” before

15 “who is physically or mentally incapable”,

16 and

17 (iii) by redesignating subparagraphs

18 (B) and (C) as subparagraphs (A) and

19 (B), respectively, and

20 (B) in paragraph (2), by striking subpara-

21 graph (B) and inserting the following:

22 “(B) EXCEPTION.—Employment-related

23 expenses described in subparagraph (A) which

24 are incurred for services outside the taxpayer’s

25 household shall be taken into account only if in-

1 curred for the care of a qualifying individual
 2 who regularly spends at least 8 hours each day
 3 in the taxpayer’s household.”,

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

7 (A) in subparagraph (B), by striking “is
 8 under the age of 13 or” and inserting “has at-
 9 tained age 17 and”, and

10 (B) in the flush text at the end, by striking
 11 “subparagraph (A) or (B) of subsection (b)(1)
 12 (whichever is appropriate)” and inserting “sub-
 13 section (b)(1)(A)”.

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

17 **SEC. 205. DENIAL OF DEDUCTION FOR STATE AND LOCAL**
 18 **TAXES OF INDIVIDUALS.**

19 (a) IN GENERAL.—Section 164(b)(6) of the Internal
 20 Revenue Code of 1986 is amended to read as follows:

21 “(6) LIMITATION ON DEDUCTION OF CERTAIN
 22 TAXES FOR INDIVIDUALS.—

23 “(A) IN GENERAL.—In the case of an indi-
 24 vidual, no deduction shall be allowed for
 25 taxes—

1 “(i) described in paragraphs (1), (2),
 2 or (3) of subsection (a), or

3 “(ii) described in paragraph (5) of
 4 this subsection.

5 “(B) EXCEPTIONS.—Subparagraph (A)
 6 shall not apply to—

7 “(i) any foreign taxes described in
 8 subsection (a)(3), or

9 “(ii) any taxes described in paragraph
 10 (1) and (2) of subsection (a) which are
 11 paid or accrued in carrying on a trade or
 12 business or an activity described in section
 13 212.

14 “(C) SPECIAL RULE.—For purposes of
 15 subparagraph (A), an amount paid in a taxable
 16 year beginning before January 1, 2026, with re-
 17 spect to a State or local income tax imposed for
 18 a taxable year beginning after December 31,
 19 2025, shall be treated as paid on the last day
 20 of the taxable year for which such tax is so im-
 21 posed.”.

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

○