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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. MOORE of Utah introduced the following bill; which was referred to the Committee on _____

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”.

1 **TITLE I—CHILD TAX CREDIT**
2 **AND TAX CREDIT FOR PREG-**
3 **NANT MOTHERS**

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

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

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

9 “(a) ALLOWANCE OF CREDIT.—

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

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

17 “(A) for each qualifying child who has not
18 attained age 6 as of the close of the calendar
19 year in which the taxable year of the taxpayer
20 begins, \$4,200, and

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

24 “(b) APPLICABLE PERCENTAGE AND LIMITATION
25 BASED ON ADJUSTED GROSS INCOME.—

1 “(1) APPLICABLE PERCENTAGE.—For purposes
2 of subsection (a), the applicable percentage shall
3 be—

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

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

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

13 “(ii) \$20,000.

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

19 “(A) in the case of a joint return,
20 \$400,000, or

21 “(B) in any other case, \$200,000.

22 “(3) MODIFIED ADJUSTED GROSS INCOME.—
23 For purposes of this subsection, the term ‘modified
24 adjusted gross income’ means adjusted gross income

1 increased by any amount excluded from gross in-
2 come under section 911, 931, or 933.

3 “(4) ADJUSTMENT FOR INFLATION.—

4 “(A) IN GENERAL.—In the case of a tax-
5 able year beginning after 2026, each of the
6 \$20,000 amounts in paragraph (1) shall be in-
7 creased by an amount equal to—

8 “(i) \$20,000, multiplied by

9 “(ii) the cost-of-living adjustment de-
10 termined under section 1(f)(3) for the cal-
11 endar year in which the taxable year be-
12 gins, determined by substituting ‘2025’ for
13 ‘2016’ in subparagraph (A)(ii) thereof.

14 “(B) ROUNDING.—If any increase under
15 this paragraph is not a multiple of \$100, such
16 increase shall be rounded to the next lowest
17 multiple of \$100.

18 “(c) QUALIFYING CHILD.—For purposes of this sec-
19 tion—

20 “(1) IN GENERAL.—The term ‘qualifying child’
21 means a qualifying child of the taxpayer (as defined
22 in section 152(c)) who has not attained age 18 as
23 of the close of the calendar year in which the taxable
24 year of the taxpayer begins.

1 “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—

2 The term ‘qualifying child’ shall not include any in-
3 dividual who would not be a dependent if subpara-
4 graph (A) of section 152(b)(3) were applied without
5 regard to all that follows ‘resident of the United
6 States’.

7 “(d) LIMITATION ON NUMBER OF CHILDREN.—The
8 number of qualifying children of a taxpayer for which a
9 credit may be allowed under this section for any taxable
10 year shall not exceed 6.

11 “(e) IDENTIFICATION REQUIREMENTS.—

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

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

18 “(B) with respect to any qualifying child,
19 the name and the social security number of
20 such qualifying child.

21 “(2) SOCIAL SECURITY NUMBER DEFINED.—

22 For purposes of this subsection, the term ‘social se-
23 curity number’ means, with respect to a return of
24 tax, a social security number issued to an individual

1 by the Social Security Administration, but only if
2 the social security number is issued—

3 “(A) to a citizen of the United States or
4 pursuant to subclause (I) (or that portion of
5 subclause (III) that relates to subclause (I)) of
6 section 205(c)(2)(B)(i) of the Social Security
7 Act, and

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

10 (2) by striking subsections (h) through (j),

11 (3) in subsection (k)—

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

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

18 (B) in paragraph (3)—

19 (i) in subparagraph (A), by striking

20 “and without regard to the application of
21 this section to bona fide residents of Puer-
22 to Rico under subsection (i)(1)”, and

23 (ii) in subparagraph (C), by striking
24 clause (ii) and inserting the following:

1 “(ii) APPLICATION OF SECTION IN
2 EVENT OF ABSENCE OF APPROVED
3 PLAN.—In the case of a taxable year with
4 respect to which a plan is not approved
5 under subparagraph (B), rules similar to
6 the rules of paragraph (2) shall apply with
7 respect to bona fide residents of American
8 Samoa (within the meaning of section
9 937(a)).”, and

10 (4) by redesignating subsection (k) (as amended
11 by paragraph (3)) as subsection (h).

12 (b) TREATMENT AS FULLY REFUNDABLE.—

13 (1) CREDIT MOVED TO SUBPART RELATING TO
14 REFUNDABLE CREDITS.—

15 (A) IN GENERAL.—The Internal Revenue
16 Code of 1986 is amended—

17 (i) by redesignating section 24, as
18 amended by this section, as section 36C,
19 and

20 (ii) by moving such section, as so re-
21 designated, from subpart A of part IV of
22 subchapter A of chapter 1 to the location
23 immediately after section 36B in subpart
24 C of part IV of subchapter A of chapter 1.

1 (B) TECHNICAL AMENDMENT.—Subsection
2 (a) of section 36C of such Code, as moved and
3 redesignated by subparagraph (A), is amended
4 by striking “this chapter” and inserting “this
5 subtitle”.

6 (C) CLERICAL AMENDMENTS.—

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

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

“Sec. 36C. Child tax credit.”.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 26(b)(2) of such Code is
17 amended—

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

20 (ii) by inserting “and” at the end of
21 subparagraph (X), and

22 (iii) by striking subparagraph (Z).

23 (B) Section 45R(f)(3)(B) of such Code is
24 amended to read as follows:

1 “(B) SPECIAL RULE.—Any amounts paid
2 pursuant to an agreement under section 3121(l)
3 (relating to agreements entered into by Amer-
4 ican employers with respect to foreign affiliates)
5 which are equivalent to the taxes referred to in
6 subparagraph (A) shall be treated as taxes re-
7 ferred to in such subparagraph.”.

8 (C) Section 48D(d)(4) of such Code is
9 amended by striking “section 24(k)” and in-
10 sserting “section 36C(h)”.

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

14 (E) Section 501(c)(26) of such Code is
15 amended in the flush matter at the end by
16 striking “section 24(c)” and inserting “section
17 36C(c)”.

18 (F) Section 3402(f)(1)(C) of such Code is
19 amended by striking “section 24 (determined
20 after application of subsection (j) thereof)” and
21 inserting “section 36C”.

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

1 (H) Section 6211(b)(4)(A) of such Code is
2 amended—

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

5 (ii) by inserting “and 36C” after
6 “36B,” and

7 (iii) by striking “, 6428, 6428A,
8 6428B, and 7527A”.

9 (I) Section 6213(g)(2) of such Code is
10 amended—

11 (i) in subparagraph (I), by striking
12 “correct TIN required under section
13 24(e)” and inserting “correct social secu-
14 rity number required under section
15 36C(e),”

16 (ii) in subparagraph (L)—

17 (I) by striking “24, or 32” and
18 inserting “32, or 36C”, and

19 (II) by striking “TIN” each place
20 it appears and inserting “TIN or so-
21 cial security number”, and

22 (iii) in subparagraph (P)—

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

1 (II) by striking “section 24” and
2 inserting “section 36C”.

3 (J) Section 6402(m) of such Code is
4 amended by striking “section 24 (by reason of
5 subsection (d) thereof) or 32” and inserting
6 “section 32 or 36C”.

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

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

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

15 (i) by striking “24,”, and

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

17 (N) Section 1613(a)(11)(A) of the Social
18 Security Act (42 U.S.C. 1382b(a)(11)(A)) is
19 amended by striking “section 24 of the Internal
20 Revenue Code of 1986 (relating to child tax
21 credit) by reason of subsection (d) thereof” and
22 inserting “section 36C of the Internal Revenue
23 Code of 1986 (relating to child tax credit)”.

24 (O) Chapter 77 of such Code is amended
25 by striking section 7527A (and the item relat-

1 ing to such section in the table of sections for
2 such chapter).

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

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

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by inserting after section 36C (as reded-
10 icated by section 101) the following new section:

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

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

17 “(b) APPLICABLE PERCENTAGE.—

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

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

23 “(B) in the case of a taxpayer whose modi-
24 fied adjusted gross income is less than \$10,000,

1 the amount (expressed as a percentage) equal
2 to the quotient of—

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

5 “(ii) \$10,000.

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

11 “(A) in the case of a joint return,
12 \$400,000, or

13 “(B) in any other case, \$200,000.

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

18 “(4) ADJUSTMENT FOR INFLATION.—

19 “(A) IN GENERAL.—In the case of a tax-
20 able year beginning after 2026, each of the
21 \$10,000 amounts in paragraph (1) shall be in-
22 creased by an amount equal to—

23 “(i) \$10,000, multiplied by

24 “(ii) the cost-of-living adjustment de-
25 termined under section 1(f)(3) for the cal-

1 endar year in which the taxable year be-
2 gins, determined by substituting ‘2025’ for
3 ‘2016’ in subparagraph (A)(ii) thereof.

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

8 “(c) QUALIFYING UNBORN CHILD.—

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

14 “(2) CERTIFICATION.—

15 “(A) IN GENERAL.—Upon the request of
16 the mother, a physician may make a determina-
17 tion with respect to the gestational age of the
18 unborn child. Any determination made under
19 this paragraph shall be based on the reasonable
20 medical judgment of the physician following
21 such inquiries, examinations, and tests as a rea-
22 sonably prudent physician would deem nec-
23 essary for purposes of making such determina-
24 tion.

1 “(B) FORM.—If the physician has made a
2 determination pursuant to subparagraph (A)
3 that the gestational age of the unborn child is
4 20 weeks or greater, such physician may, upon
5 the request of the mother, provide the mother
6 with a form which includes the following:

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

9 “(ii) The name and social security
10 number of the mother.

11 “(iii) If applicable, the name and so-
12 cial security number of the spouse of such
13 mother.

14 “(iv) The name and contact informa-
15 tion of the physician.

16 “(v) A written certification from such
17 physician stating, under penalty of perjury
18 pursuant to section 1746 of title 28,
19 that—

20 “(I) the mother was determined
21 to have been pregnant with the un-
22 born child, according to standard
23 medical practice, by such physician,
24 and

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

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

11 “(I) is the biological mother of
12 such unborn child, or

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

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

23 “(d) APPLICATION.—

24 “(1) IN GENERAL.—In the case of the involun-
25 tary death of an unborn child, or the death of an

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

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

12 “(A) has more than 1 pregnancy during a
13 taxable year, or

14 “(B) is determined to be pregnant with
15 more than 1 qualifying unborn child,

16 the credit under this section shall be allowed with re-
17 spect to each qualifying unborn child.

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

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

23 “(e) PROHIBITION.—No credit shall be allowed under
24 this section if an unborn child died as a result of an in-
25 duced abortion, but not including any treatment intended

1 to save the life of the mother or any treatment of an ec-
2 topic pregnancy.

3 “(f) 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).”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 for subpart C of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by in-
2 serting after the item relating to section 36C the following
3 new item:

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

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

7 **TITLE I—OTHER AMENDMENTS**
8 **TO THE INTERNAL REVENUE**
9 **CODE OF 1986**

10 **SEC. 201. SIMPLIFICATION OF EARNED INCOME CREDIT**
11 **FOR TAXPAYERS WITH CHILDREN.**

12 (a) ADDITIONAL LIMITATION.—Section 32(a)(2) of
13 the Internal Revenue Code of 1986 is amended to read
14 as follows:

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

18 “(A) the excess (if any) of—

19 “(i) the credit percentage of the
20 earned income amount, over

21 “(ii) the phaseout percentage of so
22 much of the adjusted gross income (or, if
23 greater, the earned income) of the taxpayer
24 for the taxable year as exceeds the phase-
25 out amount, or

1 “(B) an amount equal to—
2 “(i) in the case of any taxpayer with
3 no qualifying children—
4 “(I) who is not filing a joint re-
5 turn, \$700, or
6 “(II) who is filing a joint return,
7 \$1,400, or
8 “(ii) in the case of any taxpayer with
9 1 or more qualifying children—
10 “(I) who is not filing a joint re-
11 turn, \$4,300, or
12 “(II) who is filing a joint return,
13 \$5,000.”.

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

17 (1) by striking “1 qualifying child” in the first
18 row and inserting “1 or more qualifying children”,
19 (2) by striking “15.98” in the first row and in-
20 sserting “25”,
21 (3) by striking the second and third rows, and
22 (4) by striking “7.65” in the third column of
23 the last row and inserting “10”.

1 (c) EARNED INCOME AND PHASEOUT AMOUNTS.—

2 The table contained in section 32(b)(2)(A) of the Internal
3 Revenue Code of 1986 is amended—

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

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

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

10 (4) by striking the second row,

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

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

15 (d) JOINT RETURNS.—Section 32(b)(2)(B) of the In-
16 ternal Revenue Code of 1986 is amended by striking
17 “\$5,000” and inserting “\$10,000, and the earned income
18 amount determined under subparagraph (A) shall be in-
19 creased—

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

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

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

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

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

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

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

13 (f) EFFECTIVE DATE.—

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

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

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

1 such eligible individual as if the amendments
2 made by subsections (a) through (e) of this sec-
3 tion had not been enacted.

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

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

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

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

21 **SEC. 202. ELIMINATION OF ADDITIONAL EXEMPTION FOR**
22 **DEPENDENTS.**

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

1 “(5) ELIMINATION OF ADDITIONAL EXEMPTION
2 FOR DEPENDENTS FOR TAXABLE YEARS AFTER
3 2025.—In the case of a taxable year beginning after
4 December 31, 2025—

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

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

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

18 **SEC. 203. ELIMINATION OF HEAD OF HOUSEHOLD FILING**
19 **STATUS.**

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

22 (1) by striking subsection (b),

23 (2) in subsection (c)—

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

- 1 (B) by striking “or the head of a house-
- 2 hold as defined in section 2(b)”,
- 3 (3) in subsection (f), by striking “(b),” each
- 4 place it appears,
- 5 (4) in subsection (i)—
- 6 (A) in paragraph (1)—
- 7 (i) in subparagraph (A)(i), by striking
- 8 “(b),”,
- 9 (ii) in subparagraph (B)—
- 10 (I) in clause (i), by adding “and”
- 11 at the end,
- 12 (II) by striking clause (ii), and
- 13 (III) by redesignating clause (iii)
- 14 as clause (ii), and
- 15 (iii) in subparagraph (C), by striking
- 16 “subparagraph (B)(iii)” and inserting
- 17 “subparagraph (B)(ii)”,
- 18 (B) in paragraph (2), by striking “(b),”,
- 19 and
- 20 (C) in paragraph (3)—
- 21 (i) in subparagraph (A), by striking
- 22 “(b),”,
- 23 (ii) in subparagraph (B)—
- 24 (I) by striking clause (ii), and

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

1 (II) by redesignating subclauses
2 (III) and (IV) as subclauses (II) and
3 (III), respectively.

4 (b) CONFORMING AMENDMENTS.—

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

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

14 (2) Section 25E(b)(2) of such Code is amend-
15 ed—

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

18 (B) by striking subparagraphs (B) and (C)
19 and inserting the following:

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

22 (3) Section 30D(f)(10)(B) of such Code is
23 amended—

24 (A) in clause (i), by adding “and” at the
25 end, and

1 (B) by striking clauses (ii) and (iii) and in-
2 serting the following:

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

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

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

9 (A) in paragraph (2)—

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

11 “or” at the end,

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

13 (iii) by redesignating subparagraph

14 (C) as subparagraph (B),

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

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

17 (C) in paragraph (7)—

18 (i) by striking subparagraph (A) and

19 inserting the following:

20 “(A) INCREASE IN STANDARD DEDUC-

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

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

23 (ii) in subparagraph (B)—

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

4 (II) in clause (ii), by striking
5 “\$18,000 and \$12,000 amounts” and
6 inserting “\$12,000 amount”.

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

8 (A) in paragraph (1)—

9 (i) by striking subparagraph (B),

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

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

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

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

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

22 (A) in subparagraph (A)—

23 (i) in clause (i), by striking “is not a
24 head of a household (as defined in section
25 2(b)),”,

1 (ii) by striking clause (ii),
2 (iii) by redesignating clauses (iii) and
3 (iv) as clauses (ii) and (iii), respectively,
4 and
5 (iv) in the flush text at the end, by
6 striking “Clause (iv)” and inserting
7 “Clause (iii)”, and
8 (B) in subparagraph (B)—
9 (i) by striking “clause (i), (ii), or
10 (iii)” and inserting “clause (i) or (ii)”, and
11 (ii) by striking “clause (iv)” and in-
12 serting “clause (iii)”.

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

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

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

24 “(g) FAILURE TO BE DILIGENT IN DETERMINING
25 ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person

1 who is a tax return preparer with respect to any return
2 or claim for refund who fails to comply with due diligence
3 requirements imposed by the Secretary by regulations with
4 respect to determining eligibility for, or the amount of,
5 the credit allowable by section 25A(a)(1), 32, or 36C shall
6 pay a penalty of \$500 for each such failure.”.

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

10 **SEC. 204. EXCLUSION OF CHILDREN FROM CREDIT FOR EX-**
11 **PENSES FOR HOUSEHOLD AND DEPENDENT**
12 **CARE SERVICES NECESSARY FOR GAINFUL**
13 **EMPLOYMENT.**

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

16 (1) in subsection (b)—

17 (A) in paragraph (1)—

18 (i) by striking subparagraph (A),

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

20 “who has attained age 18 and” before

21 “who is physically or mentally incapable”,

22 and

23 (iii) by redesignating subparagraphs

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

25 (B), respectively, and

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

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

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

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

16 (B) in the flush text at the end, by striking
17 “subparagraph (A) or (B) of subsection (b)(1)
18 (whichever is appropriate)” and inserting “sub-
19 section (b)(1)(A)”.

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

1 **SEC. 205. LIMITATION ON DEDUCTION FOR STATE AND**
2 **LOCAL TAXES OF INDIVIDUALS.**

3 (a) **IN GENERAL.**—Section 164(b)(6) of the Internal
4 Revenue Code of 1986 is amended by striking “beginning
5 after December 31, 2017, and before January 1, 2026”
6 and inserting “beginning after December 31, 2025”.

7 (b) **CLERICAL AMENDMENT.**—The heading for sec-
8 tion 164(b)(6) of such Code is amended by striking “2018
9 THROUGH 2025” and inserting “AFTER 2025”.

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