AMENDMENT NO._____   Calendar No._____

Purpose: To increase the refundability of the child tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES—115th Cong., 1st Sess.

H. R. 1

To provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. RUBIO (for himself and Mr. LEE) to the amendment (No. _____) proposed by _____

Viz:

1   Strike section 11022 and insert the following:

2   **SEC. 11022. INCREASE IN AND MODIFICATION OF CHILD**

3   **TAX CREDIT.**

4   (a) IN GENERAL.—Section 24 is amended by adding

5   at the end the following new subsection:

6   "(h) SPECIAL RULES FOR TAXABLE YEARS 2018

7   THROUGH 2025.—

8   "(1) IN GENERAL.—In the case of a taxable

9   year beginning after December 31, 2017, and before

1 January 1, 2026, this section shall be applied as

2 provided in paragraphs (2) through (8).

3   "(2) CREDIT AMOUNT.—Subsection (a) shall be

4 applied by substituting '$2,000' for '$1,000'.

5   "(3) LIMITATION.—In lieu of the amount deter-

6 mined under subsection (b)(2), the threshold amount

7 shall be—

8   "(A) in the case of a joint return,

9         $500,000, and

10   "(B) in the case of an individual who is

11   not married or a married individual filing a sep-

12   arate return, $250,000.

13   "(4) DEFINITION OF QUALIFYING CHILD.—

14 Paragraph (1) of subsection (c) shall be applied by

15 substituting '18' for '17'.

16   "(5) PARTIAL CREDIT ALLOWED FOR CERTAIN

17 OTHER DEPENDENTS.—

18   "(A) IN GENERAL.—The credit determined

19   under subsection (a) (after the application of

20   paragraph (2)) shall be increased by $500 for

21   each dependent of the taxpayer (as defined in

22   section 152) other than a qualifying child de-

23   scribed in subsection (c) (after the application

24   of paragraph (4)).

3

1   "(B) EXCEPTION FOR CERTAIN NONCITI-

2   ZENS.—Subparagraph (A) shall not apply with

3   respect to any individual who would not be a

4   dependent if subparagraph (A) of section

5   152(b)(3) were applied without regard to all

6   that follows 'resident of the United States'.

7   "(6) PORTION OF CREDIT REFUNDABLE.—In

8   lieu of subsection (d), the following provisions shall

9   apply for purposes of the credit allowable under this

10   section:

11   "(A) IN GENERAL.—The aggregate credits

12   allowed to a taxpayer under subpart C shall be

13   increased by the lesser of—

14   "(i) the credit which would be allowed

15   under this section without regard to this

16   paragraph and the limitation under section

17   26(a), or

18   "(ii) the amount by which the aggre-

19   gate amount of credits allowed by this sub-

20   part (determined without regard to this

21   paragraph) would increase if the limitation

22   imposed by section 26(a) were increased by

23   an amount equal to the sum of the tax-

24   payer's payroll taxes for the taxable year.

25   "(B) PAYROLL TAXES.—

4

1 "(i) IN GENERAL.—For purposes of
2 subparagraph (A), the term 'payroll taxes'
3 means, with respect to any taxpayer for
4 any taxable year, the amount of the taxes
5 imposed by—

6 "(I) section 1401 on the self-em-
7 ployment income of the taxpayer for
8 the taxable year,

9 "(II) section 3101 on wages re-
10 ceived by the taxpayer during the cal-
11 endar year in which the taxable year
12 begins,

13 "(III) section 3111 on wages
14 paid by an employer with respect to
15 employment of the taxpayer during
16 the calendar year in which the taxable
17 year begins,

18 "(IV) sections 3201(a) and
19 3211(a) on compensation received by
20 the taxpayer during the calendar year
21 in which the taxable year begins, and

22 "(V) section 3221(a) on com-
23 pensation paid by an employer with
24 respect to services rendered by the

1   taxpayer during the calendar year in

2   which the taxable year begins.

3   "(ii) COORDINATION WITH SPECIAL

4   REFUND OF PAYROLL TAXES.—The term

5   'payroll taxes' shall not include any taxes

6   to the extent the taxpayer is entitled to a

7   special refund of such taxes under section

8   6413(c).

9   "(iii) SPECIAL RULE.—Any amounts

10   paid pursuant to an agreement under sec-

11   tion 3121(l) (relating to agreements en-

12   tered into by American employers with re-

13   spect to foreign affiliates) which are equiv-

14   alent to the taxes referred to in subclause

15   (II) or (III) of clause (i) shall be treated

16   as taxes referred to in such clause.

17   "(C) EXCEPTION FOR TAXPAYERS EX-

18   CLUDING FOREIGN EARNED INCOME.—Subpara-

19   graph (A) shall not apply to any taxpayer for

20   any taxable year if such taxpayer elects to ex-

21   clude any amount from gross income under sec-

22   tion 911 for such taxable year.

23   "(7) ADJUSTMENT FOR INFLATION.—

24   "(A) IN GENERAL.—In the case of a tax-

25   able year beginning after 2018, the $2,000

1 amount in paragraph (2) shall be increased by

2 an amount equal to—

3 "(i) such dollar amount, 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 '2017' for

8 '2016' in subparagraph (A)(ii) thereof.

9 "(8) SOCIAL SECURITY NUMBER REQUIRED.—

10 No credit shall be allowed under subsection (d) to a

11 taxpayer with respect to any qualifying child unless

12 the taxpayer includes the social security number of

13 such child on the return of tax for the taxable year.

14 For purposes of the preceding sentence, the term

15 'social security number' means a social security

16 number issued to an individual by the Social Secu-

17 rity Administration, but only if the social security

18 number is issued to a citizen of the United States

19 or is issued pursuant to subclause (I) (or that por-

20 tion of subclause (III) that relates to subclause (I))

21 of section 205(c)(2)(B)(i) of the Social Security

22 Act.".

23 (b) INCREASE IN CORPORATE TAX RATE.—Sub-

24 section (b) of section 11, as amended by section 13001

1 of this Act, is amended by striking "20 percent" and in-

2 serting "22 percent".

3   (c) EFFECTIVE DATE.—The amendments made by

4 this section shall apply to taxable years beginning after

5 December 31, 2017.