

SENATE
ORRIN G. HATCH, UTAH,
CHAIRMAN
CHUCK GRASSLEY, IOWA
MIKE CRAPO, IDAHO
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGANHOUSE
KEVIN BRADY, TEXAS,
VICE CHAIRMAN
SAM JOHNSON, TEXAS
DEVIN NUNES, CALIFORNIA
RICHARD NEAL, MASSACHUSETTS
JOHN LEWIS, GEORGIA

Congress of the United States

JOINT COMMITTEE ON TAXATION
502 FORD HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6453
(202) 225-3621
<http://www.jct.gov>**NOV 27 2018**Honorable James M. Inhofe
United States Senate
SR-205
Washington, D.C. 20510

Dear Senator Inhofe:

This letter is in response to your October 30, 2018, request for a revenue estimate of a proposal to require Social Security Numbers (“SSNs”) for various tax credits and a \$300 fee for each resident individual on a tax return using an Individual Taxpayer Identification Number (“ITIN”). Other provisions of this proposal should be estimated by the Congressional Budget Office. This response is based on discussions with your staff and therefore differs from the policy in the proposal version GAI18356.

Under present law, *taxpayers* are not required to provide SSNs for themselves to be eligible for either the refundable or nonrefundable portions of the child tax credit. Through tax year 2025, however, Public Law 115-97 requires each qualifying *child* to provide a valid SSN in order to be eligible for the refundable and non-refundable portions of the child tax credit (although dependents with ITINs may still qualify for the \$500 non-refundable other dependent credit). Your proposal would require taxpayers (both in the case of joint filers) to report valid SSNs on their tax returns in order to claim any portion of the child tax credit, including the refundable and non-refundable portions, as well as the \$500 non-refundable other dependent credit through tax year 2025.

Your proposal also provides that taxpayers who use as their taxpayer identification number an SSN issued for non-work reasons, such as for purposes of receiving Federal benefits, are not eligible for the Earned Income Tax Credit. Additionally, your proposal modifies the American Opportunity Tax Credit and the Lifetime Learning Credit to provide that both the taxpayer claiming the credit, and the student on whose behalf the credit is claimed, must use an SSN as the identifying number on the tax return. This requirement provides that the individual to whom the SSN relates must not be prohibited from engaging in employment in the United States.

We assume a date of enactment of December 30, 2018, for your proposal. This implies that your proposal would be effective for tax years beginning after December 31, 2017, but given the limited amount of time for the Internal Revenue Service to enact these changes, we assume that these changes will only be applicable for tax years beginning after December 31, 2018.

Congress of the United States
 JOINT COMMITTEE ON TAXATION
 Washington, DC 20515-6453

Honorable James M. Inhofe
 United States Senate

Page 2

We estimate that your proposals will have the following effects on Federal fiscal year budget receipts.

<u>Item</u>	<u>Fiscal Years</u>											<u>2019-23</u>	<u>2019-28</u>
	<u>[Billions of Dollars]</u>												
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>			
SSN requirement for credits and \$300 fee [1].....	0.2	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.4	3.5	15.4	33.5	

NOTE: Details may not add to totals due to rounding.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2019-23</u>	<u>2019-28</u>
[1] Estimate includes the following outlay effects.....	---	-1.9	-1.8	-1.7	-1.7	-1.7	-1.6	-1.6	-2.3	-2.4	-7.2	-16.8

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,


Thomas A. Barthold