

# COMPARISON OF FEDERAL CHILD TAX CREDIT PROPOSALS

TITLE	CHILD TAX CREDIT (CTC)	AMERICAN RESCUE PLAN ACT OF 2021	AMERICAN FAMILIES PLAN	FAMILY SECURITY ACT	PARENT TAX CREDIT
SPONSOR	N/A	N/A	President Biden	Senator Romney	Senator Hawley
STATUS	Current law (except for modifications for 2021 under the American Rescue Plan Act of 2021)	Enacted in 2021	Proposal released in 2021	Proposal released in 2021	Proposal released in 2021
ADMINISTRATION	Internal Revenue Service	Internal Revenue Service	Internal Revenue Service	Social Security Administration	Internal Revenue Service
ELIGIBLE BENEFICIARIES	Parents of children younger than 17 with earnings equal to or greater than \$2,500	Parents of children 17 and younger	Parents of children 17 and younger	Parents	Households with a qualifying child under the age of 13 and with prior-year earnings equal to or greater than earned income from 20 hours per week of work at the federal minimum wage (currently \$7,540)
BENEFIT DELIVERY	Annually with tax return	Periodic advance payments of half of the benefit in 2021; the remaining half is realized with the annual tax return	Monthly	Monthly	Monthly, with an option to instead collect a lump-sum payment upon tax filing
MAXIMUM BENEFIT	None	None	None	\$1,250 per family per month	\$6,000 for single parents and \$12,000 for married parents that file a joint tax return (a 100% "marriage bonus")
BENEFIT CALCULATION	\$2,000 per child per year	\$3,000 per child per year for children six-years old and above, and \$3,600 per child per year for children under six	\$3,000 per child per year for children six-years old and above, and \$3,600 per child per year for children under six	Ages 0-5: \$4,200 per child per year (\$350 per month); Ages 6-17: \$3,000 per child per year (\$250 per month)	Flat amount
INCOME PHASE-OUT	The CTC begins to phase out at \$200,000 for single filers and \$400,000 for joint filers.	The CTC begins to phase out at \$75,000 for single returns, \$112,500 on head of household returns, and \$150,000 on joint returns. The previous credit of \$2,000 per child is still available subject the prior income limitations.	Not specified	Benefit begins to phase out at \$200,000 for single-filers and \$400,000 for joint filers.	None
FUNDING MECHANISM	Not specified	Not specified	Not specified	Consolidates various existing policies that support families, including CTC and Earned Income Tax Credit.	Not specified
OTHER NOTES	The CTC is refundable up to \$1,400 (i.e., if the credit exceeds taxes owed, families may receive the excess amount as a refund). These CTC benefit amounts expire in 2025.	The CTC is a fully refundable benefit under the Act.	The CTC is a fully refundable benefit.	Parents are eligible to apply to receive the benefit 4 months prior to the child's due date.	Tax credit is a fully refundable benefit.