

## PRELIMINARY RESULTS

**Table T22-0124**  
**Tax Expenditure for the Child Tax Credit (\$ billions), 2022-25<sup>1</sup>**  
**Baseline: Current Law**

	Calendar Year			
	2022	2023	2024	2025
<b>A. Current Law<sup>2</sup></b>	123.6	124.0	124.0	124.0
<b>B. Make American Rescue Plan (ARP) Act changes to credit amount and age requirements permanent<sup>3</sup></b>	167.6	168.3	168.0	167.7
<b>C. Make ARP changes to credit amount and age requirements permanent; make credit fully refundable regardless of tax liability or earned income<sup>4</sup></b>	215.6	213.2	211.7	210.4

**Source:** Urban-Brookings Microsimulation Model (version 0722-2).

(1) Calendar years. Includes the non-refundable credit of up to \$500 for other eligible dependents. Baseline is the law currently in place for each year as of October 20, 2022.

(2) Taxpayers may claim a partially refundable child tax credit (CTC) of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of: (1) \$1,400 per qualifying child (indexed for inflation after 2018); and (2) 15 percent of earnings in excess of \$2,500 (unindexed). The indexed refundability limit is \$1,500 for 2022, \$1,600 for 2023, and a projected \$1,600 for 2024 and 2025. A taxpayer may claim a non-refundable credit of up to \$500 (unindexed) for children under 17 without a valid SSN and other older dependents. The combined amount of credits for eligible children under age 17 and for other dependents are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married taxpayers filing a joint return). The phase-out thresholds are not indexed for inflation.

(3) The maximum credit amount would be increased to \$3,000 (\$3,600 for qualifying children under the age of 6). The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules and SSN requirements would continue to apply.

(4) In addition to the changes in Option B, the credit for eligible children under age 18 would be made fully refundable regardless of income tax liability or earned income. The credit of up to \$500 for other dependents would remain non-refundable. Current-law SSN requirements would continue to apply.