



AN ANALYSIS OF THE FAMILY FIRST ACT (FFA)

The FFA Invests in Children and Married Couples, but Some Single Parents with Low Incomes Would Be Made Worse Off

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The Family First Act (FFA), introduced by Representative Blake Moore and Senator Jim Banks, seeks to support children, pregnant women, and married couples while consolidating some benefits for families with children. The proposal would reduce taxes for some families by expanding the child tax credit (especially for families with young children and children age 17), creating a new credit for pregnant women, and doubling the earned income tax credit (EITC) for married workers without children. For families with children, the bill would create a new set of EITC rules that would apply only to children under 19: The EITC would no longer provide higher benefits to families with more than one child. All families with children would use the same EITC formula. This would reduce EITC benefits for families with more than one child under age 19, offsetting some of the bill's expansions for families with children. Families with children 19 and older would remain eligible for the existing EITC for those children, which is larger for larger families. The bill would also eliminate the child and dependent care tax credit for children, the credit for other dependents, and head of household filing status (a filing status typically used by single parents) and would limit the state and local tax deduction for people who itemize on their federal taxes.¹

Families with children, especially young children, and married couples are most likely to see their taxes decrease and after-tax incomes rise. Single parents with older children are most likely to owe more in taxes and see their after-tax incomes fall. Unmarried workers without children and older individuals will see few changes from the legislation. We estimate these changes will cost about \$150 billion over the 10-year budget window from FY 2026 to FY 2035.

Tax benefits are a core income support for families with children in the United States. People raising children qualify for multiple tax benefits with overlapping eligibility rules. Proposals abound to simplify the tax system in the hopes of making it easier for families to comply with the tax law, which can help

ensure they receive the benefits they are eligible for and reduce the costs to them—in terms of both time and money—of complying (Gale 2024).

The Family First Act (FFA), proposed by Representative Blake Moore and Senator Jim Banks, would increase the child tax credit (CTC) for families with children (especially young children and children age 17), create a new credit for pregnant women, and increase the benefits of the earned income tax credit (EITC) for some married couples with low incomes who are not raising children, often referred to as the “childless EITC.”² In part, the legislation simplifies existing benefits for families with children by eliminating the credit for other dependents (which is sometimes referred to as the other dependent tax credit or ODTC), the child and dependent care tax credit (CDCTC) for children, and head of household (HOH) filing status, a filing status typically used by single parents. For families with children, the bill would create a new set of EITC rules that would apply only to children under 19: The EITC would no longer provide higher benefits to families with more than one child. All families with children would use the same EITC formula, similar to how the credit was structured before 1990 (Crandall-Hollick 2022a). Families with children ages 19 to 23 who are students (or 19 and older who are disabled) would continue calculating the credit for those children using the same formula as under current law. This formula provides larger credits to families with two children or three or more children. Because of their age, families with older children would not be eligible for the bill’s CTC increase but still could receive the EITC available under current law. Lastly, the bill would limit the amount of state and local taxes that can be deducted at the federal level, often referred to as the SALT deduction.

We estimate these changes will cost about \$150 billion over the 10-year budget window from FY 2026 to FY 2035. Below we estimate how benefits would change for families with children and how they would differ for those who are married and those who are not. After accounting for taxes, similar shares of all families (whether they have children or not) would have more income (just over 17 percent) as would have less (just under 17 percent). In this brief, we refer to this as an increase or decrease in after-tax income.

Of families with children, about 62 percent would see their after-tax income rise because of the legislation while 32 percent would see their after-tax income fall. Those who would see their after-tax income fall are much more likely to have high incomes or have older children (6 and older in some cases, 18 and older in others) and be unmarried. We estimate that for those that would see their after-tax income increase, it would increase by about \$2,100 on average, while for those who would see their after-tax income fall, it would fall by about \$1,700 on average. A larger share of married parents (68 percent) would benefit from the FFA than unmarried parents (55 percent). Among married parents who would benefit from this bill, the average increase in after-tax income would be \$2,500, a larger increase than the average after-tax income gains for single parents who would benefit (\$1,700). Among those who would see their after-tax income fall from the FFA, married parents and single parents would see similar declines (\$1,800 and \$1,600 respectively, on average).

On average the expansion of the CTC (net of the elimination of the ODTC) would have the largest impact on boosting after-tax income, with more modest effects from the new credit for pregnant women, which applies to a relatively small share of all families with children. The changes to the EITC, which would eliminate the larger credit for families with more than one child under 19 but leave the existing EITC in place for children 19 and older and double the EITC available to childless married couples would, on average, reduce after-tax income. Overall, eliminating HOH status and SALT would drive larger average decreases in after-tax income than changes to either the EITC or the elimination of the CDCTC, which would also reduce after-tax income.

WHAT WOULD THE FAMILY FIRST ACT DO?

The FFA would expand the CTC, particularly for families with young children and children who are 17 and create a new credit for pregnant women. It would also roughly double the maximum childless EITC for married couples and extend eligibility for the credit higher up the income scale.³ Minimal changes would be made to the childless EITC for unmarried workers compared with current law.

To offset the costs of these changes, for families with children under 19, the bill would eliminate the larger EITC available to families with more than one child, and instead, most of these families would be eligible for the same credit available to families with one child, with a slightly larger benefit for married taxpayers. Families with children ages 19 to 23 who are full-time students⁴ (or over 19 and disabled) would calculate the EITC as under current law for those children. The bill would repeal the CDCTC for families with children, the ODTC, and HOH filing status. It would also eliminate personal exemptions for dependents (personal exemptions were temporarily eliminated beginning in 2018 by the Tax Cuts and Jobs Act, a change that the One Big Beautiful Bill Act [OBBBA] made permanent, so this would no longer be a change from current law). Lastly, the bill would limit the amount of state and local taxes that people who itemize can deduct on their tax returns. These changes would go into effect beginning in 2026. Table 1 summarizes the changes and is followed by a more detailed description of them.

TABLE 1

Comparison of Current Law and the Family First Act for 2026

Provision	Current Law	Family First Act
Child tax credit (CTC)	\$2,200 ^a per child from under 17	\$4,200 per child under 6 (i.e., young) \$3,000 per child age 6 to 17 (i.e., older)
	No limit on number of children	Limited to six children
	Refundable portion: \$1,700 ^a per child = 15% of earnings over \$2,500	Refundable portion: \$4,200 for young children / \$3,000 for older =21% of adjusted gross income per young child plus 15% of AGI per older child ^b
	Phases out by 5% when income exceeds \$200,000 and \$400,000 (married filing jointly)	Phases out by 5% when income exceeds \$200,000 and \$400,000 (married filing jointly)
	Child and taxpayer must have a Social Security number (among married joint filers, one adult must have SSN)	Child and taxpayer must have Social Security number (among married joint filers, one adult must have SSN)
Credit for pregnant mothers	None	\$2,800 per fetus with gestational age of 20 weeks or more, phasing out when income exceeds \$200,000 and \$400,000 (married filing jointly) Refundable portion: \$2,800 phasing in at 28% per fetus with gestational age of 20 weeks or more
Earned income tax credit (EITC)	Different credit amounts for taxpayers with no children ("childless EITC") and one, two, and three or more children, phasing out at higher income levels for married joint filers than unmarried filers	No children: Credit for unmarried taxpayers with no children is similar to current law's "childless EITC." For married taxpayers, the maximum childless EITC is doubled.

Provision	Current Law	Family First Act
	<p>Children must be under 19, 19 to 23 and students, or 19 and older and disabled. Credit amounts do not differ by the child's age.</p> <p>See appendix table A.1 for more details.</p>	<p>Children under 19: For taxpayers with children under 19, there is one credit amount, irrespective of the number of children under 19. This credit is similar to the current law's credit for taxpayers with one child, although it is larger if the taxpayer is married.</p> <p>Children age 19 to 23 and students or 19 or older and disabled. For taxpayers with children ages 19 to 23 who are full-time students or 19 and older and disabled, the credit is calculated using current law formulas for these older children.</p> <p>See appendix table A.1 for more details.</p>
Child and dependent care tax credit (CDCTC)	<p>Nonrefundable credit to offset care expenses of a qualifying individual, maximum credit of about \$1,050 for one qualifying individual and \$2,100 for two or more qualifying individuals. A qualifying individual can be either a child under 13 or a disabled older dependent or spouse.</p>	<p>Eliminated for expenses incurred for the care of children under 13^d</p>
Head of household (HOH) filing status	In effect	Eliminated
Personal exemptions	Eliminated for taxpayers, spouses, and dependents	<p>Eliminated for dependents^c</p> <p>(This analysis assumes personal exemptions are eliminated for taxpayers, spouses, and dependents. Instead, we incorporate the larger standard deduction from the One Big Beautiful Bill Act, which, following introduction of this proposal, became law.)</p>
Credit for Other Dependents (sometimes referred to as the other dependent tax credit or ODTTC)	\$500 nonrefundable credit for each dependent not eligible for CTC (not indexed for inflation).	<p>Eliminated</p> <p>(This analysis includes the budgetary and distributional impact of this change in the estimates for the CTC.)</p>
State and local tax (SALT)	<p>\$40,000^a cap beginning in 2025, phasing down for higher-income taxpayers</p> <p>\$10,000 cap beginning in 2030</p>	\$10,000 limit made permanent

Source: H.R. 353 in the 119th Congress.

Notes:

^a Indexed for inflation.

^b The base CTC amount (\$4,200 per younger child, \$3,000 per older child) is multiplied by an applicable percentage, which changes on a sliding scale from \$0 to \$20,000 or more. This results in an effective per-child phase-in of 15 percent per older child and 21 percent per younger child. Beginning in 2027, this \$20,000 amount is adjusted for inflation.

^c The bill would eliminate the personal exemptions for dependents only, while retaining the exemption amount for taxpayers and, if they are married, their spouses. Under current law, personal exemptions for taxpayers, their spouses, and their dependents are not in effect. We do not model or evaluate this provision in this brief.

^d This analysis models full repeal of the CDCTC, not repeal of the credit for expenses incurred for children under 13 as provided for in the

FFA. About 97 percent of benefits from the CDCTC are claimed for expenses incurred for children under 13. We do not model expenses claimed for people over 13. See Boyle and coauthors (2021) for more details on the share of the credit that goes to care expenses for children.

Child Tax Credit

Under current law, families can claim a CTC of up to \$2,200 per child for most children under 17.⁵ Children claimed for the credit must generally live with the taxpayer claiming them for more than half the year, but there are exceptions for certain divorced or separated parents. If the credit a family qualifies for is greater than the income taxes they owe, they can receive up to \$1,700 of the difference per child as part of their refund, considered the refundable portion of the credit (the refundable portion of the credit equals 15 percent of earnings over \$2,500).⁶ Both the \$2,200 and \$1,700 amounts are indexed for inflation. The credit phases out for higher-income families with adjusted gross income (AGI) over \$200,000 (or \$400,000 if married and filing jointly).⁷

The FFA would increase the CTC to \$4,200 per child for most children under 6 and to \$3,000 per child for children 6 to 17. This would be a sizeable expansion of the credit for many children who are already eligible, especially young children, and for children age 17, who currently are eligible for the \$500 nonrefundable ODTTC but ineligible for the CTC. The credit would phase in to its maximum amount over the first \$20,000 of AGI. Mechanically, this means the credit would phase in on a per-child basis at a rate of 21 percent for each child under 6 and 15 percent for each child 6 to 17.⁸ The credit could be claimed for up to six children. It would phase out in the same manner as the current CTC.

Credit for Pregnant Mothers

Under current law, there is no credit for pregnant women.

The FFA would create a new refundable credit of up to \$2,800 per “qualifying unborn child.” A qualifying unborn child is defined as a fetus whose gestational age is 20 weeks or greater during the calendar year.⁹ The bill appears to allow for the same “qualifying unborn child” to be claimed in multiple years in some cases (i.e., the year in which the fetus reaches 20 weeks gestational age and the subsequent year in which they are born). The credit would phase in with AGI at a rate of 28 percent per qualifying unborn child. The credit would phase out under the same rules as the CTC. The bill text includes various reporting requirements and limitations in cases of medical abortion.¹⁰

Earned Income Tax Credit

Under current law, the EITC provides the largest benefits to workers with children, with comparatively meager benefits for those without children, sometimes called the “childless EITC.” The credit equals a percentage of earnings until the maximum benefit is reached, remains at that maximum level over a subsequent range of income, and then declines as income increases until it is fully phased out. Both the rate at which the credit increases or phases in and the maximum credit differ by family size, with higher rates and larger credits applying to larger families. In general, eligible children include children under 19 or ages 19 to 23 and full-time students,¹¹ and children with disabilities of any age. Children claimed for the credit must live with the taxpayer claiming them for more than half the year. For 2026, the maximum credit for working families with children ranges from \$4,427 to \$8,231.¹² After the credit reaches its maximum amount, it remains constant until earnings exceed a threshold and then declines or phases out until no credit is available. Unmarried taxpayers with eligible children can receive some benefit until their income reaches between about \$52,000 and \$63,000, depending on family size. In 2026 that threshold for married couples is more than \$7,000 higher. For workers

without any children eligible for the credit, the maximum childless EITC is \$664 and is completely phased out once income reaches \$19,540 (\$26,820 for married couples). For more details, see appendix table A.1.

Under the FFA, the credit would be modified so that for families with children under 19, it would continue to differ by income but would no longer differ based on how many eligible children a family has. This would eliminate the larger EITCs for families with more than one child. For single parents, this EITC would be roughly equal to the current EITC for an unmarried claimant with one child. Married couples would be eligible for a larger credit than unmarried couples. In 2026 under the FFA, the maximum EITC for single parents with children under 19 would be \$4,300. Married couples could receive a maximum benefit of \$5,000.

Moreover, under the FFA, families with children 19 or older and disabled or 19 to 23 and full-time students (referred to as exempted children in the FFA) would calculate their EITC for those children using the current law's formula based on the number of exempted children they had.¹³ If an eligible family had a mix of children under 19 and older exempted children, they would need to calculate the credits for their younger and older children separately and then combine them to determine their overall EITC amount.

For unmarried workers with no EITC-eligible children, the EITC under the FFA would be similar to the credit available for 2026, with a maximum credit of \$700. The credit would phase out slightly faster than under current law, so that it would be fully phased out once income exceeded \$17,000. Married couples without children could receive a maximum EITC of \$1,400.

As under current law, the parameters of the EITC under the FFA would be annually adjusted for inflation. For a more detailed comparison of the EITC changes, see appendix table A.1.

Child and Dependent Care Credit

Under current law, taxpayers who incur care expenses for children under 13 or older dependents and spouses physically or mentally incapable of caring for themselves can claim a nonrefundable tax credit to offset some of those expenses. Taxpayers calculate their credit by multiplying their qualifying care expenses (subject to a limit) by a credit rate that changes with income. The maximum credit amount is about \$1,050 for taxpayers with one qualifying individual, and \$2,100 for taxpayers with two or more.¹⁴ Almost all of the credit is claimed for care expenses for children under 13 (Boyle et al. 2021).

The FFA would eliminate the CDCTC for care expenses incurred for children under 13 but not for the small share of older dependents that qualify for the credit.¹⁵

Head of Household Filing Status

Under current law, certain unmarried taxpayers who maintain a home for themselves and children or other dependents (i.e., are head of household) can benefit from lower tax rates, a higher standard deduction, and other more generous tax provisions compared with unmarried taxpayers who file as single.

The FFA would repeal HOH filing status, treating unmarried taxpayers as single in the tax code.

Personal Exemptions

Under current law since 2018, taxpayers cannot claim personal exemptions. Before 2018, taxpayers could reduce their gross income, and hence their income subject to taxation, by a fixed dollar amount for themselves, their spouses (if married), and any dependents.

The FFA was introduced before the passage of the One Big Beautiful Bill Act and would have repealed the personal exemption for dependents but retained the exemption for taxpayers and spouses. The OBBBA permanently eliminated the personal exemption for dependents and taxpayers and instead instated a larger standard deduction. We do not reinstate the personal exemption for anyone in this analysis.¹⁶

Credit for Other Dependents

Taxpayers can claim a credit for dependents ineligible for the CTC, referred to as the credit for other dependents or other dependent tax credit (ODTC), of up to \$500 per child for each dependent who is not eligible for the CTC. This includes older children (17- and 18-year-olds) and older dependents who are considered “qualifying relatives” under current law. This credit is nonrefundable, meaning it can only be used to reduce income tax liability (see table 1). The CTC and OTDC are combined and phase out as one credit.

The FFA would eliminate the ODTC.

A Brief Legislative History of the Family First Act

Senator Mitt Romney released the outlines of a plan called the Family Security Act (FSA) in February 2021. No accompanying legislative text of this plan was ever publicly released, but later iterations of the proposal inspired the FFA. Central to Senator Romney's plan, sometimes referred to as FSA 1.0, was the repeal of the CTC and enactment of a child benefit available to families with no earnings. That made the benefit similar to the temporary 2021 expansion of the child tax credit, but it would have been administered outside the tax code (Hammond and Orr 2021; Ortigueira and Siassi 2021).¹⁷ The plan proposed changes to other programs affecting families, including eliminating the Temporary Assistance for Needy Families block grant.

In 2022, Senator Romney released a second version of the Family Security Act plan (FSA 2.0), which conditioned eligibility for the child benefit on earnings, phasing in on a per-child basis over the first \$10,000 of earnings (Crandall-Hollick 2022b).¹⁸ Low-income families with more children could receive a larger benefit than those with fewer children. Senator Romney released a proposal with public bill text (FSA 3.0) in 2024.¹⁹ The child benefit was structured as a refundable tax credit and the per-child phase-in was retained, but it would have phased in over the first \$20,000 of adjusted gross income rather than the first \$10,000 as proposed in FSA 2.0.

After Senator Romney's retirement from Congress at the end of the 118th Congress, Representative Blake Moore became the lead sponsor of the Family First Act legislation in the House, which was virtually identical to FSA 3.0, and Senator Jim Banks introduced a companion bill in the Senate.²⁰ As with other versions of the FSA, the FFA would offset the costs of the expanded CTC by cutting or limiting other tax benefits.

State and Local Tax Deduction

Under current law, through 2029, taxpayers who itemize can deduct up to \$40,000 from their adjusted gross income for state and local taxes (SALT) they pay. This cap gradually increases with inflation and is reduced for taxpayers with incomes over \$500,000.²¹ In 2030, the cap is scheduled to fall to \$10,000.

The FFA would limit the amount of SALT that can be deducted to \$10,000 beginning in 2026, significantly reducing the amount that can be deducted before 2030.

HOW MUCH WOULD THE FAMILY FIRST ACT COST?

The FFA would cost about \$150 billion over 10 years (table 2). Most of the cost would be driven by the bill's substantial expansion of the CTC. Over time the cost of the FFA's CTC expansion would decline, for two main reasons. First, under current law the credit increases with inflation, whereas under the FFA it would not, meaning the gap between the amount of CTC in the FFA and the amount under current law would narrow. Second, the threshold over which the credit phases in (\$20,000 of AGI) adjusts annually for inflation, meaning over time, more people would receive a partial benefit as more families had less than the necessary earnings to get the whole credit. Eliminating HOH filing status and capping the SALT deduction are the largest offsets in the bill. Without them, the costs would increase fourfold to over \$600 billion over 10 years.

TABLE 2

The Family First Act Would Cost \$160 Billion Over 10 Years, Largely Driven by the CTC Expansion

Budgetary changes of Family First Act provisions, FY 2026–35, in billions of dollars (\$)

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026 to 2035
CTC expansion	-38.9	-85.9	-82.9	-79.0	-75.0	-71.7	-68.7	-64.9	-62.0	-58.2	-687.2
EITC modifications	0.7	6.6	6.6	6.6	6.4	6.3	6.3	6.2	6.1	5.8	57.7
Credit for Pregnant Mothers	-2.2	-4.9	-4.9	-4.9	-4.9	-4.8	-4.7	-4.7	-4.7	-4.7	-45.3
Elimination of HOH filing status	17.7	26.5	27.8	29.8	31.8	33.0	34.4	35.9	37.5	39.0	313.2
Elimination of the CDCTC	3.1	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	65.6
Cap on SALT deduction	20.1	34.9	37.5	40.4	16.7	0.0	0.0	0.0	0.0	0.0	149.6
Total	0.5	-15.9	-9.0	-0.1	-18.0	-30.1	-25.7	-20.5	-16.2	-11.2	-146.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0325-4) Table T26-0014.

Notes: CDCTC = child and dependent care tax credit. CTC = child tax credit. EITC = earned income tax credit. HOH = head of household. SALT = state and local tax. The CTC expansion includes the repeal of the credit for other dependents (sometimes called the other dependent tax credit or ODTTC). Each row in the table shows the marginal effect of the change, assuming the preceding rows have been implemented.

WHAT WOULD THE EFFECTS OF THE FAMILY FIRST ACT BE?

The FFA would direct substantial investments to families with children, including most of those with very low incomes. But some families with low incomes would be made worse off under this bill, largely because of its changes to the EITC for families with more than two children and the elimination of HOH filing status. Those changes would reduce some tax benefits and increase taxes owed by taxing more income at higher rates under single filing status rather than HOH filing status. Some moderate-income single parent families would see their after-tax incomes fall, primarily because of the elimination of HOH filing status. The effect of this legislation on workers without children would be minimal.

We estimate that about 17 percent of all households would see their after-tax incomes increase, by an average of about \$2,100, and a similar share would see their after-tax incomes fall, by an average of almost \$1,700. Among families with children, almost 62 percent would see a net benefit from the bill (an increase in their after-tax incomes), whereas 32 percent would see their after-tax incomes fall. The share of married couples that would see their after-tax incomes increase would be just over 28 percent, while almost 16 percent would see their after-tax incomes fall. More than 90 percent of people who file using HOH filing status—typically single parents—with incomes in the top 40 percent of the income distribution would see their after-tax incomes fall under this bill.

Because families with children are the most likely to be affected by this legislation, we focus our analysis on them. We find that, except for those in the highest 20 percent of the income distribution, families with children are more likely to see their after-tax income increase than decrease. That is especially true among married couples with children, among whom we estimate 68 percent would see an average tax cut of \$2,500, compared with the 55 percent of unmarried parents who would see an average tax cut of \$1,700. Below, after discussing families with children, we discuss how the bill would affect people who are not raising children at home.

What Share of Families with Children Would See Their After-Tax Incomes Change from the FFA and by How Much?

More than 6 in 10 families with children would see an increase in after-tax income from the FFA (figure 1). Nearly three-quarters of families with children in the lowest 20 percent of the income distribution would see their after-tax income increase. Almost a third of families with children would see their after-tax income decrease, with this being more common among higher-income families, who are less likely to benefit from the expanded CTC than families with lower incomes and more likely to be affected by the SALT limit. Some single parents with middle to high incomes would see their taxes increase from the elimination of HOH filing status, and a small share would see their after-tax incomes decrease because of the elimination of the ODTC and the CDCTC.

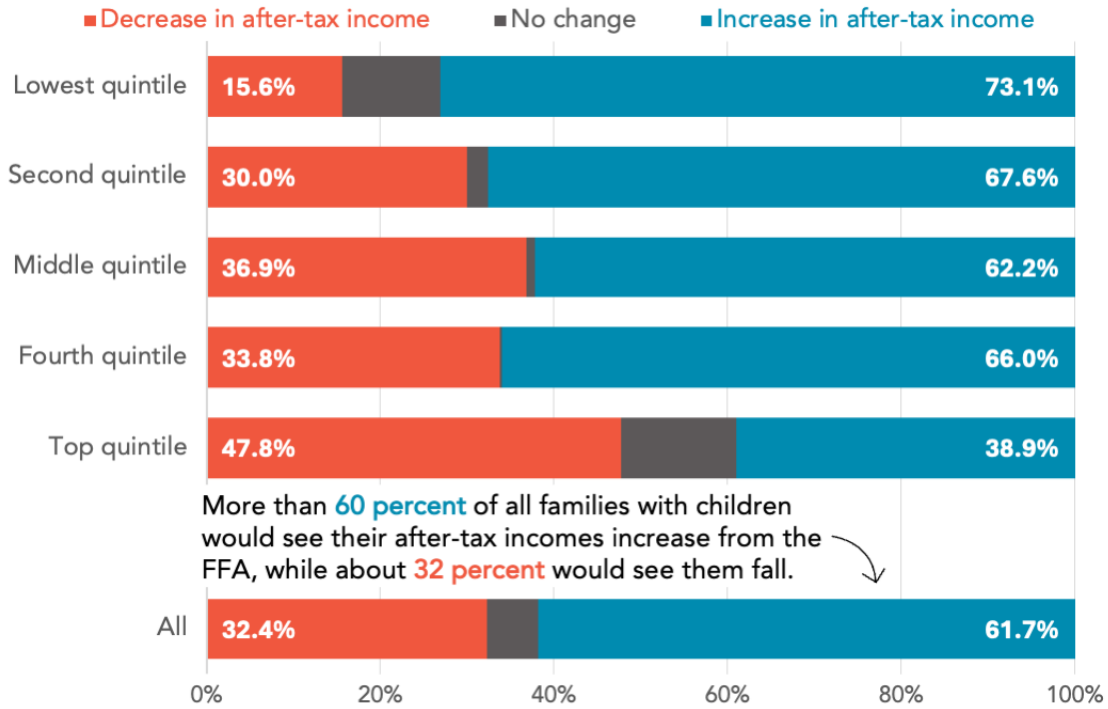
Among families with children that would see their after-tax incomes increase from the FFA, the average increase would be more than \$2,100. Families whose after-tax incomes would decrease would see an average decrease of about \$1,700. Among families receiving a net benefit from the bill, increases in after-tax income would range from about \$1,800 to \$2,200, with benefits relatively similar in dollar terms across the income distribution.

Taken together, the overall distribution of the proposal would be progressive. Because a larger share of families would see their after-tax incomes increase than would see them decrease, and because the size of those benefits would be larger than cuts, the average benefit to families with children in the lowest 20 percent of the income distribution would be higher than in any other income group.

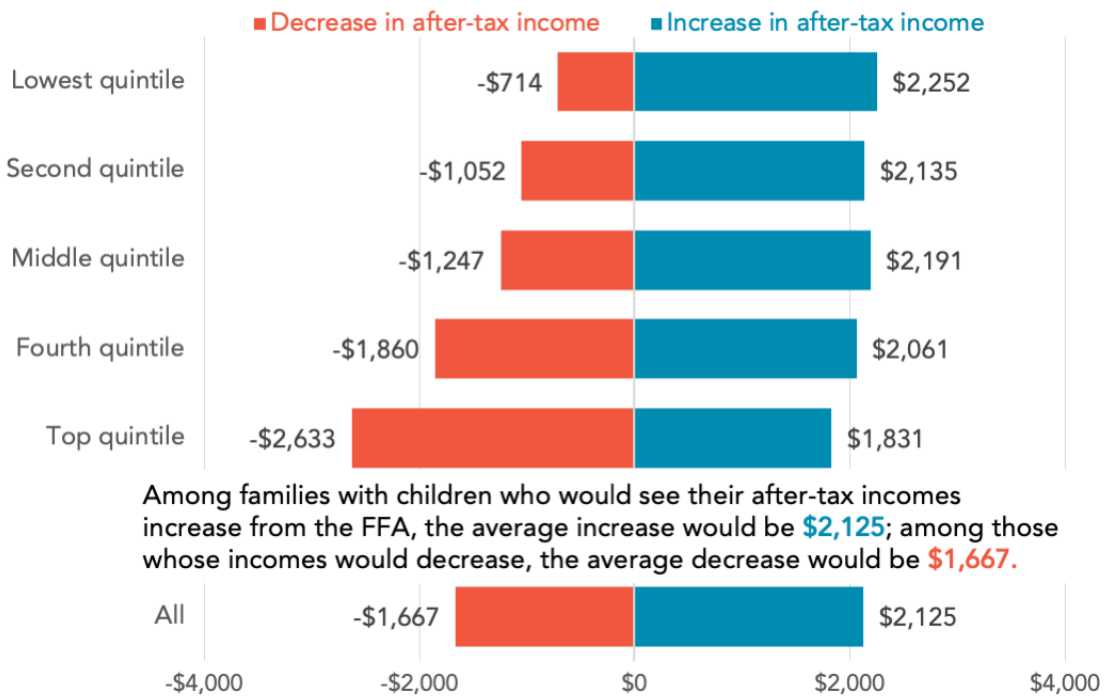
FIGURE 1

Most Families with Children Would See Their After-Tax Incomes Increase Under the Family First Act, with Average Benefits Similar Across Income Levels

Share of Tax Units with Children with a Change in After-Tax Income from the FFA in 2026, by Income Quintile



Average Change Among Tax Units with Children Affected by the FFA in 2026, by Income Quintile



Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0325-4) Table T26-0016.

EFFECTS BY MARITAL STATUS

Overall, the FFA would increase after-tax income for married parents more than unmarried parents. Although the CTC and credit for pregnant mothers provide benefits to families with children whether parents are married or not, eliminating HOH filing status only affects unmarried parents. The ODTTC and CDCTC are nonrefundable; benefits from them flow to higher-income families. Single-parent families may be more likely to incur child care costs related to working, which means they would be more likely to be affected by the elimination of the CDCTC. We estimate that almost 55 percent of unmarried parents will see their after-tax incomes increase, a smaller share than the almost 68 percent of married parents that would see their after-tax incomes increase. The average increase in after-tax income for unmarried parents would also be smaller than that for married parents: \$1,680 versus \$2,450 (table 3). The difference in average benefits for married versus unmarried parents persists across all income levels, though it is much smaller among the highest-income parents. In addition, about 41 percent of unmarried taxpayers with children would see their after-tax incomes decrease, compared with about 24 percent of married taxpayers with children. Large majorities of single parents with incomes in the top 40 percent of the income distribution would see their after-tax incomes decrease as a result of the FFA. Among families who would see their after-tax income decline, single parents with income in the top 20 percent of the income distribution would see the largest average drops.

TABLE 3

Unmarried Parents Are More Likely to See Their After-Tax Incomes Fall from the Family First Act Than Married Parents

Share of units with children whose after-tax income would change, and average change, from the FFA in 2026, by income quintile and marital status

	Families with Increases in After-Tax Income from the FFA				Families with Decreases in After-Tax Income from the FFA			
	Unmarried		Married		Unmarried		Married	
	% of tax units	Average change (\$)	% of tax units	Average change (\$)	% of tax units	Average change (\$)	% of tax units	Average change (\$)
Lowest quintile	74.0	1,820	70.1	3,870	18.7	-700	4.6	-920
Second quintile	61.5	1,630	82.1	3,040	36.7	-1,050	14.1	-1,060
Middle quintile	38.4	1,390	84.4	2,530	60.6	-1,380	14.7	-740
Fourth quintile	16.8	1,310	81.0	2,110	83.1	-2,540	18.8	-950
Top Quintile	8.9	1,650	42.3	1,840	86.3	-3,610	43.4	-2,410
All	54.9	1,680	67.9	2,450	41.4	-1,580	24.2	-1,800

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0325-4) Table T26-0017.

Most of the low- and moderate-income families with children who would be worse off under this bill would be single-parent families. For many of these families, the net gain from a larger CTC would simply not be enough to offset the increased taxes they would owe from filing their taxes as single rather than HOH.

Among families with children in the lowest income quintile who would see their after-tax incomes fall from the FFA, more than 9 in 10 are unmarried, and more than 8 in 10 are unmarried with older children, often children older than 6 or, in the case of single parents with one child, older than 17. Most of these families would be eligible for an EITC that is the same size or smaller than under current law, and if they were eligible for a larger CTC, it would not be enough to offset the higher tax bill they would owe from filing as single filers.

Take for example a single parent with two children between 6 and 17 who earns \$25,000 in 2026. Assuming a simple tax situation, under current law, their after-tax income would be about \$10,400 higher than their income before taxes. They would owe about \$85 in income taxes before credits and be eligible for a combined CTC and EITC of about \$10,500. By contrast, under the FFA, their after-tax income would be about \$9,400 higher than their income before taxes, or \$1,000 less than under current law. Although their combined CTC and EITC under the FFA would be similar to current law benefits (\$10,300), they would now owe about \$890 before credits from the elimination of HOH filing status (numbers not shown in table 3).

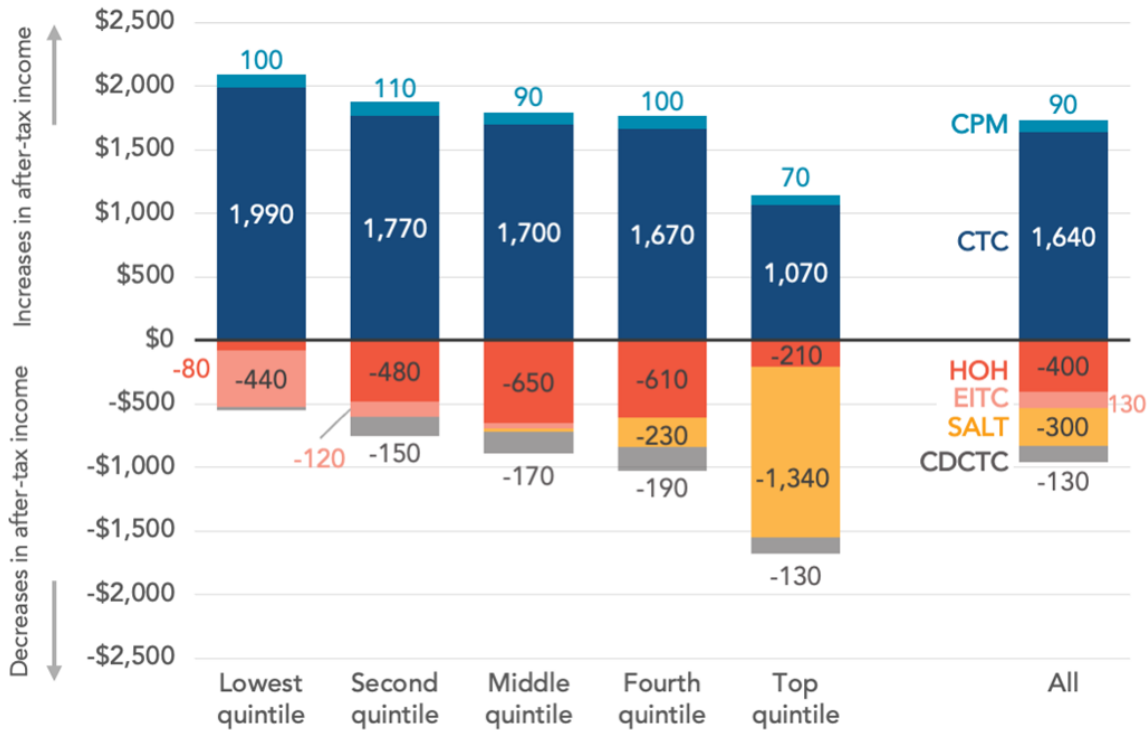
How Do Different Parts of the FFA Affect Families with Children at Different Income Levels?

Tax legislation often includes many changing provisions that can interact with each other. For example, under the FFA, about half of the CTC expansion would be offset by provisions that would increase taxes. For the lowest-income families with children, the FFA's elimination of the EITC for larger families is the largest offset to the expanded CTC. The middle 60 percent of families with children would be more likely to have some of the gains from the CTC expansion offset by the repeal of HOH filing status (figure 2), which would increase the taxes of unmarried parents with low and moderate incomes. At the highest income levels, HOH filers are subject to the same tax rates as single filers, so this filing status tends to provide less benefit, and its repeal has less impact on after-tax income. For the highest-income families, changes to the SALT cap would increase the amount of income that is subject to taxation, and the additional taxes owed would often be higher than credits from the CTC expansion. This would drive an average decrease in after-tax income of \$550. This is the only income group for whom the bill, on average, would reduce after-tax income. In addition, middle- and upper-income families with children would see their tax bills increase on average with the elimination of the CDCTC for care expenses incurred for their children.

FIGURE 2

The Family First Act's CTC Expansion Drives the Net Increase in Income from the Bill

Average changes in after-tax income for tax units with children resulting from different parts of the FFA in 2026, by income quintile



Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0325-4) Table T26-0018.

Notes: CDCTC = child and dependent care tax credit. CTC = child tax credit. EITC = earned income tax credit. HOH = head of household. CPM = Credit for Pregnant Mothers. SALT = state and local tax. Changes of less than \$50 are not labeled. For a description of these changes, see table 1. The CTC changes include the repeal of the credit for other dependents (sometimes called the other dependent tax credit or ODTTC).

How Would the FFA Affect Workers Without Children?

Low- and moderate-income workers without children would generally see little benefit from the FFA, since most of the bill's changes would target families with children. Some married couples with low and moderate incomes would see their EITC increase. We estimate this is the case for just 7 percent of childless married taxpayers in the bottom 20 percent of the income distribution and just under 4 percent of those in the 20th to 40th income percentile. In most cases, their tax bills before any credits would be unchanged. The average increase in their tax benefits would be about \$500.

Although the maximum childless EITC would be substantially larger for married couples without children under the bill, few taxpayers would benefit, since most recipients of the childless EITC (about 80 percent) are unmarried and there is limited evidence to suggest a substantial share of them would marry because of an expansion of the EITC (Crandall-Hollick and Greenstein 2025). Almost no provisions in the legislation would benefit low- and moderate-income unmarried individuals without children. Less than 2 percent of low-income unmarried childless taxpayers would benefit, and of those that did, their average benefit would be less than \$50.

Some taxpayers without children would see their after-tax incomes fall under this bill. About 10 percent of married couples without children would see their taxes increase, an increase likely affected by the SALT limit in the bill, which would decrease their after-tax income. More than a quarter of those in the top 20 percent of the income distribution would be affected by the SALT limit. About 11 percent of single childless individuals would see a tax increase, or a decrease in their after-tax income; that includes 36 percent of those in the top 20 percent of the income distribution.

HOW WOULD THE FFA AFFECT THE COMPLEXITY OF THE TAX CODE?

Many parts of the FFA would decrease complexity in the tax code, primarily by consolidating some benefits. The bill would take four benefits in effect in 2025 for families with children—the CTC, the EITC, the CDCTC, and HOH filing status—and reduce it to two, the CTC and EITC. This would reduce the administrative burdens faced by taxpayers (Holtzblatt and McCubbin 2003). This approach was most recently used in 2017 with the enactment of the Tax Cuts and Jobs Act, which temporarily eliminated the personal exemption (for dependents, taxpayers, and their spouses, if married) in exchange for a larger CTC. Later, the personal exemption was eliminated permanently in the OBBBA.

By eliminating HOH filing status, the FFA would also eliminate a financial support test called the “maintenance of household” test, which may be confusing and difficult for some taxpayers to comply with. Financial support tests have historically resulted in tax benefits claimed in error and were largely eliminated in 2004 for most tax benefits under the Working Families Tax Relief Act (Holtzblatt and McCubbin 2003; Schenk 1989). Congress, of course, could instead eliminate the household maintenance test while keeping HOH filing status. Similarly, although the CDCTC provides valuable assistance to middle- and higher-income families with child care needs, determining what care expenses qualify, especially care provided irregularly by neighbors, friends, and other relatives, may be difficult. For some of these families, having a larger child benefit may be more beneficial since they would not need to document (and they might not have) paid caregiving.

The FFA does not address the child-claiming rules for the two largest tax benefits for families with children (the CTC and EITC), which are complex and major sources of erroneous claims of credits (Leibel 2014; Leibel et al. 2020; McCabe and Sargeant 2025; NTA 2019). These rules may also, in some cases, fail to ensure that child tax benefits are best directed to children’s primary caregivers (Goldin and Kleiman 2022).²² Various experts have called for rethinking these rules, not only to reduce intentional and unintentional errors in claiming benefits but also to better align them with more complex families (Maag et al. 2016; NTA 2022). Reducing these errors could also reduce people’s risk of audit and bolster political support for the credits (Elzayn et al. 2023; Wielk 2024).

The bill may also increase complexity and administrative burden for some families. Pregnant women may struggle to comply with the verification requirements of the credit for pregnant mothers, or be reluctant to do so.²³ And by creating two EITCs for families with children, one for children under 19 and one for older children who are students or have disabilities, the bill would add more calculations for some families, although given that most returns are prepared with commercial software or a paid preparer, this computational complexity may be reduced (Goldin 2018).

CONCLUSION

The FFA seeks to increase support for families with children and married couples while consolidating some benefits for families with children to reduce complexity in the tax code. Central to the bill is its expansion of the

child tax credit, with the most significant increases over current law designed for families with young children and children who are 17 (the latter of which is a product of extending CTC eligibility from younger than 17 to younger than 18). The law would create a new credit for pregnant mothers.

The law also emphasizes providing benefits to married couples. It would do this by nearly doubling the earned income tax credit for workers without children, and by partially offsetting the cost of the credit by requiring people who file as head of household under current law to file as single. HOH filing status is used primarily by single parents, which allows more income to be exempted from taxation and more income to be taxed at lower rates. This change would shift tax benefits away from single parents and toward married couples. For couples with children under 19, the bill also provides a larger EITC for those who are married than those who are unmarried (maximum of \$5,000 versus \$4,300).

The law would simplify benefits for many families with children by eliminating the child and dependent care tax credit and credit for other dependents. It would also eliminate the personal exemption for dependents, but that exemption has already been eliminated with the passage of the One Big Beautiful Bill Act and is therefore not modeled as part of this analysis. Lastly, the bill would reinstate the \$10,000 limit on the state and local tax deduction that was enacted under the Tax Cuts and Jobs Act, limiting the amount of state and local taxes itemizers could deduct when calculating their income taxes.

The bill would cost about \$150 billion over the 10-year budget window from FY 2026 to FY 2035. About 17 percent of all households would see their after-tax incomes increase (by an average of \$2,100), and 17 percent would pay more taxes and see their after-tax incomes decrease (by an average of \$1,700).

We estimate that if the FFA were enacted, 62 percent of families with children would see their after-tax incomes increase. We estimate that 68 percent of married parents would see their after-tax incomes increase, compared with 55 percent of unmarried parents. Benefits, on average, would be higher for married couples with children. Married couples with children whose after-tax incomes would increase would see an average increase of \$2,500, whereas unmarried parents would see an average increase of \$1,700.

We also estimate that 32 percent of families with children would see their after-tax incomes decrease. More single parents (41 percent) would see their after-tax incomes decrease than married parents (24 percent). The average decrease would be about \$1,600 for single parents and \$1,800 for married couples.

Some families would likely have simpler taxes—but others would still face significant complexity, including those who would need to learn about, document, and claim the new credit for pregnant mothers. And though removing HOH filing status would certainly be simpler for single parents, for some, the cost would be high.

APPENDIX

TABLE A.1

Earned Income Tax Credit Parameters Under Current Law and Under the Family First Act, 2026

	EITC parameters under current law	EITC parameters under Family First Act
For taxpayers with no children	<u>Unmarried</u>	<u>Unmarried</u>
	Phase-in rate: 7.65%	Phase-in rate: 7.65%
	Phase-in range: \$0–\$8,680	Phase-in range: \$0–\$9,150
	Maximum credit: \$664	Maximum credit: \$700
	Phaseout range: \$10,860–\$19,540	Phaseout range: \$10,000–\$17,000
	Phaseout rate: 7.65%	Phaseout rate: 10%
	<u>Married</u>	<u>Married</u>
	Phase-in rate: 7.65%	Phase-in rate: 7.65%
	Phase-in range: \$0–\$8,680	Phase-in range: \$0–\$18,301
	Maximum credit: \$664	Maximum credit: \$1,400
	Phaseout range: \$18,140–\$26,820	Phaseout range: \$20,000–\$34,000
	Phaseout rate: 7.65%	Phaseout rate: 10%
For taxpayers with children	For those with one child who is under 19 or 19 to 23 and a full-time student (age limit waived for disabled children):	For those with one or more children under 19:
	<u>Unmarried</u>	<u>Unmarried</u>
	Phase-in rate: 34%	Phase-in rate: 34%
	Phase-in range: \$0–\$13,020	Phase-in range: \$0–\$12,647
	Maximum credit: \$4,427	Maximum credit: \$4,300
	Phaseout range: \$23,890–\$51,593	Phaseout range: \$33,000–\$50,200
	Phaseout rate: 15.98%	Phaseout rate: 25%
	<u>Married</u>	<u>Married</u>
	Phase-in rate: 34%	Phase-in rate: 34%
	Phase-in range: \$0–\$13,020	Phase-in range: \$0–\$14,706
	Max credit: \$4,427	Maximum credit: \$5,000
	Phaseout range: \$31,160–\$58,863	Phaseout range: \$43,000–\$63,000
Phaseout rate: 15.98%	Phaseout rate: 25%	
	For those with children who are 19 to 23 and full-time students	

EITC parameters under current law	EITC parameters under Family First Act
<p>For those with two children who are under 19 or 19 to 23 and full-time students (age limit waived for disabled children):</p>	<p>EITC-qualifying children who are 19 to 23 and full-time students or are disabled are designated as “exempted children” in the Family First Act. For these children, the taxpayer will calculate the applicable credit under current law. If they have two exempted children, they will use the current law formula for taxpayers with two children to calculate their EITC for their exempted children. This amount will be combined with any FFA EITC for “non-exempted” children.</p>
<p><u>Unmarried</u> Phase-in rate: 40% Phase-in range: \$0–\$18,290 Maximum credit: \$7,316 Phaseout range: \$23,890–\$58,629 Phaseout rate: 21.06%</p>	
<p><u>Married</u> Phase-in rate: 40% Phase-in Range: \$0–\$18,290 Maximum credit: \$7,316 Phaseout range: \$31,160–\$65,899 Phaseout rate: 21.06%</p>	
<p>For those with three or more children who are under 19 or 19 to 23 and full-time students (age limited waived for disabled children):</p>	
<p><u>Unmarried</u> Phase-in rate: 45% Phase-in range: \$0–\$18,290 Maximum credit: \$8,231 Phaseout range: \$23,890–\$62,974 Phaseout rate: 21.06%</p>	
<p><u>Married</u> Phase-in rate: 45% Phase-in range: \$0–\$18,290 Maximum credit: \$8,231 Phaseout range: \$31,160–\$70,244 Phaseout rate: 21.06%</p>	

Source: Internal Revenue Code Section 32, IRS Revenue Procedure 2025-32 and H.R. 353.

Notes: EITC = earned income tax credit.

NOTES

- 1 The bill would also have eliminated the personal exemption for dependents, but that provision was permanently eliminated in the One Big Beautiful Bill Act.
- 2 This brief analyzes the Family First Act in the 119th Congress which was introduced as [H.R. 353](#) by Representative Moore. A companion bill, [S. 3182](#), was introduced in the Senate by Senator Banks.
- 3 For simplicity, we refer to the credit as the “childless” EITC and its recipients as being “without children” throughout this brief. Yet many “childless” workers may support, care for, or otherwise be connected to a child but not be able to claim the child for the EITC because the workers do not live with or are not related to them. Indeed, some estimates suggest that among childless workers 18 to 64 years old, 40 percent are parents, and 5 percent are noncustodial parents of minor children. See Bauer and coauthors (2024).
- 4 Students are considered full-time students if they carry a full-time caseload in at least five months of the year.

- ⁵ For detailed eligibility rules, see <https://www.irs.gov/credits-deductions/individuals/child-tax-credit>. In particular, the child and at least one taxpayer claiming them must have a Social Security number. This rule is consistent between current law and the FFA.
- ⁶ For more details on how tax credits phase in, see <https://taxpolicycenter.org/fiscal-facts/what-tax-credit-phase>.
- ⁷ Under both current law and the FFA, the child tax credit phases down by modified adjusted gross income, which for this provision equals adjusted gross income plus territorial and foreign source income. For most taxpayers, modified AGI equals AGI. For ease of exposition we use AGI throughout this brief. In addition, under the FFA, the child credit would phase in by modified AGI in the bill text.
- For more information on how tax credits phase out, see <https://taxpolicycenter.org/fiscal-facts/what-tax-credit-phaseout>.
- ⁸ Under the FFA, the total credit amount would phase in over the first \$20,000 of AGI, which equates to a per-child phase in of 15 percent per older child and 21 percent per younger child. The \$20,000 amount would be indexed for inflation, while the maximum credit amounts would not be. Over time, as the credit phased in over a wider range of income because of inflation, the credit rate would gradually fall.
- ⁹ Involuntary death of the fetus after 20 weeks or termination of pregnancy from a treatment “intended to save the life of the mother,” including to treat an ectopic pregnancy, would not affect eligibility for credit. Termination outside of these cases would mean the fetus is ineligible to be claimed.
- ¹⁰ Margot Crandall-Hollick, “A Newbon Credit Has Advantages Over A Pregnant Mother Credit to Support Growing Families,” *TaxVox* (blog), Urban-Brookings Tax Policy Center, February 18, 2025, <https://taxpolicycenter.org/taxvox/newborn-credit-has-advantages-over-pregnant-mother-credit-support-growing-families>.
- ¹¹ The Family First Act does not change the definition of full-time student for purposes of eligibility for the EITC. As under current law, students are considered full-time if they carry a full-time caseload in at least five months of the year.
- ¹² Internal Revenue Service [Revenue Procedure 2025-32](#).
- ¹³ Children who are 19 and older and disabled or 19 to 23 and full-time students in at least five months of the year and meet all the other eligibility requirements for EITC-qualifying children are considered “exempted” children under the FFA. For those taxpayers with a mix of younger and older exempted children, they calculate and can claim two credits: one credit for their non-exempted children using the new formulas under the FFA and a second credit for their older exempted children using the prior-law formula that is applicable to the number of exempted children they have.
- ¹⁴ See Margot Crandall-Hollick, “The 2025 Reconciliation Law Makes Some Modest Changes to Child Care Tax Benefits, Provides Little Help for Low-Income Families,” *TaxVox* (blog), Urban-Brookings Tax Policy Center, July 30, 2025, <https://taxpolicycenter.org/taxvox/2025-reconciliation-law-makes-some-modest-changes-child-care-tax-benefits-provides-little>.
- ¹⁵ This analysis models full repeal of the CDCTC, not repeal of the credit for expenses incurred for children under 13 as provided for in the FFA. About 97 percent of benefits from the CDCTC are claimed for expenses incurred for children under 13. We do not model expenses claimed for people over age 13., See Boyle and coauthors (2021) for more details on the share of the credit that goes to care expenses for children.
- ¹⁶ When the FFA was introduced, the personal exemption for taxpayers, spouses, and dependents was scheduled to be reinstated beginning in 2026 as other temporary tax law changes enacted in 2017 expired, including a larger standard deduction. As a result of the OBBBA, the personal exemption was repealed, and many of these temporary changes, like the larger standard deduction, were made permanent. We analyzed the FFA against a current law baseline post-OBBBA, and did not reinstate the personal exemption for taxpayers and spouses, given the larger standard deduction amounts that are not permanently in effect.
- ¹⁷ “Senator Romney’s Proposed Family Security Act,” Penn Wharton Budget Model, February 24, 2021, <https://budgetmodel.wharton.upenn.edu/estimates/2021-02-24-senator-romneys-proposed-family-security-act/>.
- ¹⁸ Nikhita Airi, “Family Security Act 2.0 Child Allowance Would Help Families with Kids, with Drawbacks for Single Parents,” *TaxVox* (blog), Urban-Brookings Tax Policy Center, December 8, 2022, <https://taxpolicycenter.org/taxvox/family-security-act-20-child-allowance-would-help-families-kids-drawbacks-single-parents>.
- ¹⁹ In 2024, the bill was introduced as S. 5256 in the 118th Congress.
- ²⁰ Although the credit amounts for families with children are the same under both bills, FSA 3.0 included provisions to advance (issue before an income tax return is filed) the enhanced CTC and the credit for pregnant women, which is not

included in the FFA. FSA 3.0 also limited the SALT deduction to \$30,000 beginning in 2026, whereas the FFA limited it to \$10,000.

- 21 Andrew Lautz, "How Does the 2025 Tax Law Change the SALT Deduction?," Bipartisan Policy Center, June 9, 2025, <https://bipartisanpolicy.org/article/how-would-the-2025-house-tax-bill-change-the-salt-deduction/>.
- 22 Smith v. Commissioner. 2017. United States Tax Court Memo 2017-29.
- 23 Margot Crandall-Hollick, "A Newborn Credit Has Advantages Over a Pregnant Mother Credit to Support Growing Families," *TaxVox* (blog), Urban-Brookings Tax Policy Center, February 18, 2025, <https://taxpolicycenter.org/taxvox/newborn-credit-has-advantages-over-pregnant-mother-credit-support-growing-families>.

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