Dear Colleague,

The expanded and improved Child Tax Credit that was signed into law as part of the American Rescue Plan Act, was the largest tax cut for working families in generations. The expanded Child Tax Credit reached more than 61 million children and lifted nearly 4 million out of poverty in 2021 alone. The monthly delivery of the Child Tax Credit payments helped families get ahead and provided financial security.

To help families tackle rising costs, we invite you to cosponsor the American Family Act to ensure the expanded and improved, monthly Child Tax Credit is made permanent.

The American Family Act:

- Provides the full Child Tax Credit (CTC) to the “left behind” children by making the credit fully refundable.
  - By removing a rule limiting the refundable portion to $1,400 and by removing the earnings requirement, which previously excluded one-third of children from the full credit. Because of this change, children in families that were disproportionately left behind because of the earnings requirement - including Black and Latino children, children in single-parent families, rural families, children in larger families, and families with young children – were eligible for the Child Tax Credit for the first time ever.
- Continues the Young Child Tax Credit (YCTC) of $300 per month ($3,600 per year up from $2,000 per year) for children under 6 years of age.
- Expands the maximum CTC to $250 per month ($3,000 per year up from $2,000 per year) for kids ages 6 to 17.
  - The current CTC only allows a credit for children under the age of 17.
- Provides for monthly delivery of the credit so families have access to the credit as bills arrive.
  - Starting in July 2021 and by December 2021, the Department of Treasury and the Internal Revenue Service (IRS) distributed nearly $93 billion dollars in Child Tax Credit payments to families. The Treasury Inspector General for Tax
Administration (TIGTA) found the IRS accurately sent 98 percent of monthly Child Tax Credit payments.

- Indexes the YCTC and CTC for inflation to preserve the value of the credit moving forward, as the current CTC is not indexed for inflation.
- Extends the expanded and improved Child Tax Credit to the United States Territories.
- Makes the CTC equitable regardless of the child’s month of birth by including a hold harmless provision to ensure all children receive the same value of the credit in their first year of life.
  - This is an added provision from the American Family Act of 2021 to address an inequity in the credit that provided children born in December with a lump sum as their first payment and children born in January with a monthly payment as their first payment.

This text is based on the American Family Act of 2021 with the addition of the Child Tax Credit implementation sections of the Build Back Better Act (including presumptive eligibility, safe harbor, and protections from garnishment).

If you have any questions about the American Family Act, please do not hesitate to contact Caitlin (DeLauro) at Caitlin.Peruccio@mail.house.gov, Victoria (DelBene) at Victoria.Honard@mail.house.gov, and Anna (Torres) at Anna.Zimmerman@mail.house.gov. To cosponsor the American Family Act, please use this form.

Sincerely,

Rosa L. DeLauro  Suzan K. DelBene  Ritchie Torres
Member of Congress  Member of Congress  Member of Congress