



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 24, 2012

**Social Security Number Required to Claim
the Refundable Portion of the Child Tax Credit**

As approved by the House Committee on Ways and Means on April 18, 2012

H. Con. Res. 112, the Concurrent Budget Resolution for fiscal year 2013, as passed by the House of Representatives on March 29, 2012, instructed several committees of the House to recommend legislative changes that would reduce deficits over the 2012-2022 period. As part of that reconciliation process, the House Committee on Ways and Means has approved three separate provisions as reconciliation recommendations. The following analysis presents estimated budgetary effects for one of those three provisions.

The legislation would require taxpayers to provide their Social Security Number (SSN) in order to claim the refundable portion of the child tax credit. The staff of the Joint Committee on Taxation (JCT) estimates that the legislation would have no budgetary impact in 2012 or 2013, but would reduce outlays by \$3.7 billion over the 2012-2017 period and by \$7.6 billion over the 2012-2022 period. Because the legislation would have no budgetary impact in 2012 or 2013, those estimates would be the same for any enactment date this year.

Under current law, taxpayers who have either an individual taxpayer identification number or an SSN and include it on their income tax return can claim a tax credit—\$1,000 this year and \$500 starting in 2013—for each of their qualifying children under the age of 17. If the credit exceeds the tax liability of the taxpayer, the excess may be refunded depending on the taxpayer’s earnings, and the refunded portion is classified as an outlay in the federal budget. The legislation would allow only taxpayers who provide their SSN to claim the refundable portion of the credit, starting in 2013. JCT’s estimate of the legislation’s impact is shown in the following table.

	By Fiscal Year, in Billions of Dollars												2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022	
CHANGES IN DIRECT SPENDING														
Estimated Budget Authority	0	0	-1.0	-1.0	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-3.7	-7.6	
Estimated Outlays	0	0	-1.0	-1.0	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-3.7	-7.6	

JCT has determined that the legislation contains no intergovernmental mandates and one private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). Based on information provided by JCT, the cost of the private-sector mandate would exceed the annual threshold established in UMRA for private-sector mandates (\$146 million in 2012, adjusted annually for inflation) beginning in 2014.

The CBO staff contact for this estimate is Kalyani Parthasarathy. This estimate was approved by Frank Sammartino, Assistant Director for Tax Analysis.