



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 22, 2016

**H.R. 4722**  
**Refundable Child Tax Credit Eligibility Verification Reform Act of 2016**  
*As ordered reported by the House Committee on Ways and Means on March 16, 2016*

H.R. 4722 would amend the Internal Revenue Code to require taxpayers to provide their Social Security Number (SSN) to claim the refundable portion of the child tax credit. 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 of \$1,000 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 refundable depending on the taxpayer’s earnings, and the refunded portion is classified as an outlay in the federal budget.

The staff of the Joint Committee on Taxation (JCT) estimates that the legislation would reduce outlays by \$10.9 billion over the 2016-2021 period and by \$19.9 billion over the 2016-2026 period. This bill would not affect revenues.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 4722 would result in a reduction in outlays in each year beginning in 2017. The estimated decreases in the deficit are shown in the following table.

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**CBO Estimate Of Pay-As-You-Go Effects for H.R. 4722, as ordered reported by the House Committee on Ways and Means on March 16, 2016.**

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		By Fiscal Year, in Millions of Dollars													
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-	2016-	
													2021	2026	
<b>NET DECREASE (-) IN THE DEFICIT</b>															
Statutory Pay-As-You-Go Impact		0	-2,512	-2,302	-2,130	-2,027	-1,955	-1,903	-1,849	-1,790	-1,741	-1,706	-10,926	-19,916	

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Source: Staff of the Joint Committee on Taxation.

Note: Components may not sum to total because of rounding.

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JCT estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four 10-year periods beginning in 2027.

JCT has determined that the bill contains no intergovernmental mandates but would impose a 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 (\$157 million in 2016, adjusted annually for inflation) beginning in 2017.

The CBO staff contact for this estimate is Peter Huether. The estimate was approved by Mark Booth, Unit Chief, Revenue Estimating.