



December 10, 2020

Honorable Thom Tillis  
United States Senate  
Washington, DC 20510

*Re: Additional Information about H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act*

Dear Senator Tillis,

On October 1, you wrote to the Congressional Budget Office requesting more information about our cost estimate for [H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act](#). This letter responds to that request.

**Question.** By not requiring an individual to have a valid social security number, potentially millions of illegal immigrants will be able to claim a stimulus payment. How many illegal immigrants will be able to claim payments under this provision? What will the cost of such payments be to the American taxpayer? Finally, if provisions were in place to prevent payments to illegal immigrants, how much additional money could be provided to individual American citizens by virtue of these savings?

**Answer.** The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided a one-year, refundable income tax credit for tax years beginning in 2020. Most taxpayers received the credit as an advance refund before filing a 2020 income tax return. The credit is equal to the sum of \$1,200 (\$2,400 in the case of a joint return) and \$500 for each qualifying child of the taxpayer.<sup>1</sup> Under H.R. 6800, about \$27 billion in additional recovery rebate credits would be provided to families with at least one member who does not possess a Social Security Number (SSN)—probably because that family member is unlawfully present in the United States.

*Detail of Tax Refund Provisions.* For an individual filing an income tax return, no credit is allowed if that return does not include a valid identification number. In the case of a joint return without a valid

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1. Those payments are phased out at a 5 percent rate for taxpayers with adjusted gross income in excess of \$150,000 for a joint return, \$112,500 for a head of household return, and \$75,000 for all other returns.

identification number for each spouse, no credit is allowed. In addition, a qualifying child is not taken into account in determining the amount of the credit if a valid identification number for the child is not included. A valid identification number is an SSN as defined for purposes of the child tax credit in section 24(h)(7) of the Internal Revenue Code. That number must be issued by the Social Security Administration before the due date of the return (including extensions) to a citizen of the United States or to a person who meets the requirements of a provision of the Social Security Act relating to lawful admission for employment in the United States. The act provides two exceptions. First, an adoption identification number is considered a valid identification number in the case of a qualifying child who is adopted or placed for adoption. Second, in the case of a joint return, only one spouse is required to provide a valid identification number when at least one spouse was a member of the Armed Forces of the United States during the tax year for which the return is filed.

Section 20102 of H.R. 6800 would change the identification number requirement for purposes of the 2020 recovery rebate credit from a work-eligible SSN to a taxpayer identification number (TIN). Thus, under the provision, all SSNs and individual taxpayer identification numbers would count as valid identification numbers. In the case of a joint return, if the TIN of only one spouse is included, the amount of the rebate would be \$1,200 (rather than \$2,400). The taxpayer also would need to include the TIN of any dependent to claim the recovery rebate credit for that dependent. Section 20101 of H.R. 6800 would extend the \$500 additional credit amount for each qualifying child to apply to all dependents of an eligible person.

Section 20111 of H.R. 6800 would create an additional income tax credit for tax years beginning in 2020. The credit would be refundable, and taxpayers could receive an advance refund before filing a 2020 income tax return. The credit would equal the sum of \$1,200 (\$2,400 in the case of a joint return) and \$1,200 each for as many as three dependents of that taxpayer. Eligibility for the credit would be subject to TIN (not work-eligible SSN) requirements identical to those proposed in section 20102 of H.R. 6800, as described above.

*Estimated Costs.* The staff of the Joint Committee on Taxation (JCT) estimates that about 13 million additional people would receive credits under those provisions. JCT estimates that section 20102 would increase outlays by about \$12 billion (about 4 percent of the estimated cost of recovery rebates in the CARES Act). JCT also estimates that section 20111 would increase outlays by about \$15 billion (about 4 percent of the

estimated cost of the recovery rebates in H.R. 6800). In total, those two provisions would cost \$27 billion over the 2021-2030 period. Those estimates account for some additional credits going to spouses and dependents who are U.S. citizens or lawful permanent residents. Thus, the number of affected aliens who are unlawfully present would be less than 13 million, and the cost of providing those recovery rebates to aliens who are not lawfully present would be less than \$27 billion.

The funding for the recovery rebates is not a specified amount but is equal to whatever amounts are necessary. Therefore, restricting the ability of people without valid SSNs to receive the rebates would not increase the amount of the rebates for people with valid SSNs, unless the Congress provided a larger rebate. If the Congress provided an additional \$27 billion to U.S. citizens and other lawfully present aliens, the average amount would be between \$80 and \$90.

**Question.** Several provisions of H.R. 6800 would provide free healthcare services to illegal immigrants? What is the exact cost to the American taxpayer of these provisions? If these provisions were not in place, what types of healthcare services and treatments to American citizens could these funds provide?

**Answer.** The Families First Coronavirus Response Act (FFCRA) created an option that allows states, for the period of this public health emergency, to receive federal Medicaid payments to provide testing and treatment for COVID-19 (the disease caused by the novel coronavirus) to uninsured people. In implementing that provision, the Centers for Medicare & Medicaid Services (CMS) notified states that uninsured people would need to furnish an SSN and show satisfactory immigration status. CMS implemented FFCRA to allow payments only for services that treat COVID-19; other services are not eligible for coverage under the federal portion of Medicaid.

H.R. 6800 would specify that states can receive reimbursements for testing and treatment of COVID-19 for people who are uninsured and unlawfully present and that treatment services are not limited to those services intended to treat COVID-19. CBO estimates that over the 2021-2030 period that provision would increase direct spending by \$3 billion out of the estimated \$81 billion increase in Medicaid spending in H.R. 6800. Decisions regarding alternative uses of that funding would be made by the Congress.

**Question.** Speaker Pelosi’s bill provides work authorization to potentially millions of illegal immigrants. How many illegal immigrants would benefit from this work authorization? What impact would this have on the job market? In other words, how many jobs could these illegal immigrants potentially take from hard-working, out of work American citizens? What is the impact such labor competition would have on the long-term health and economic recovery of American citizens?

**Answer.** Section 191203 of H.R. 6800 would deem inadmissible or deportable aliens engaged in essential critical infrastructure labor or services to be authorized for employment for the duration of the emergency declaration and for 90 days thereafter. (The Cybersecurity & Infrastructure Security Agency in the Department of Homeland Security defined essential critical infrastructure workers to include workers in agriculture and food services, health care, critical manufacturing, and a dozen other industries.)<sup>2</sup> Such aliens in those jobs would be deemed authorized for employment only if they continued to work in critical infrastructure. CBO did not estimate the total number of people who would be deemed authorized for employment under section 191203. Because the bill would affect only those people who are already working, we did not expect that provision would significantly affect the economy, the federal budget, or the U.S. labor market.

**Question.** Finally, when considering the answers to the previous three questions, what would the total cost of the immigration provisions in Speaker Pelosi’s bill be to the American taxpayers? What programs or benefits for American citizens would Congress need to cut or offset in order to provide these benefits to illegal immigrants?

**Answer.** Title XII of division S of H.R. 6800, Immigration Matters, included several provisions that CBO estimated would have budgetary effects:

- Section 191201, Extension of Filing and Other Deadlines, would increase deficits by about \$200 million over the 2021-2030 period;
- Section 191204(e), Conrad 30 Program, would increase deficits by about \$65 million over that period; and

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2. Christopher C. Krebs, Director, Cybersecurity & Infrastructure Security Agency, “Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response” (April 17, 2020), <https://go.usa.gov/x7hRy> (PDF, 900 KB).

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- Section 191204(g), Special Immigrant Status for Nonimmigrant Covid-19 Workers and Their Families, would increase deficits by about \$80 million over that period.

Collectively, the stimulus payment provisions and the Medicaid provision, all discussed above, along with the immigration provisions, would increase deficits by about \$30 billion over the 2021-2030 period, CBO and JCT estimate, though not all of those costs would be for aliens who are not lawfully present. Decisions regarding alternative uses of that funding would be made by the Congress.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Rafferty.

Sincerely,



Phillip L. Swagel  
Director

cc: Honorable Mitch McConnell  
Majority Leader

Honorable Charles E. Schumer  
Democratic Leader

Honorable Thom Tillis

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Cont'd

Honorable Nancy Pelosi  
Speaker of the House

Honorable Kevin McCarthy  
Republican Leader

Honorable Mike Enzi  
Chairman  
Senate Committee on the Budget

Honorable Bernie Sanders  
Ranking Member

Honorable John Yarmuth  
Chairman  
House Committee on the Budget

Honorable Steve Womack  
Ranking Member

Identical letter sent to the Honorable Joni Ernst, Honorable Mike Lee, and Honorable Kelly Loeffler.