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feature: a \$2,000 payment for newborn babies.

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*By Laura Weiss, CQ-Roll Call (TNS)*

House Democrats' latest proposal to expand the child tax credit includes a new feature: a \$2,000 payment for newborn babies.

The two parties have been battling over the tax benefit since before a larger version of it lapsed after 2021. Past attempts to revive the pandemic-era child credit expansion haven't included the new twist added this year by House Democrats, which could push the total benefit to as high as \$5,300 in the first year of a child's life.

The core of the legislation would revive an expanded tax credit for families that was

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DelBene of Washington and others would increase the size of the credit in the month a baby is born to \$2,000. Rep. Ritchie Torres, D-N.Y., is another original co-sponsor of the bill, which has 210 signatories in all.

That means for a child born in January, that household could receive a total amount worth up to \$5,300 for that year, though it would decrease to the typical \$3,600 the following year. Parents of children born all the way through June would still receive a larger credit than the original 2021 amount in the first year.

However, any newborn bonus advantage shrinks over time and the total lifetime per-child benefit is ultimately the same because monthly credits disappear once the child turns 18.

That feature hasn't been included in prior iterations of the bill, nor is it part of a Senate companion bill that also includes an expansion of earned-income tax credits for low-income workers. Sen. Sherrod Brown, D-Ohio, is the lead sponsor, and it has 40 co-sponsors including Finance Chair Ron Wyden, D-Ore., who held a hearing last week on family and household tax benefits.

## Ways and Means debate

The baby bonus didn't come up during debate on the measure in the Ways and Means Committee last week when DelBene sought to offer it as an amendment to a GOP tax bill that would [expand the standard deduction for individuals and households](#).

DelBene's amendment was ruled nongermane, and Republicans rejected an attempt to overturn the ruling.

By paying the broader credit in monthly, advance installments, the bill seeks to address a long-standing imbalance where families who have babies early in the year

must wait longer to claim benefits at tax time, compared to babies born later in the

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also mean more and immediate cash for families when they welcome a newborn child.

The current child tax credit, which expires after 2025, is available at the full amount for married couples filing jointly who earn up to \$400,000, and for individuals who earn up to \$200,000; above those thresholds, it phases out at a rate of 5 cents for each dollar. It also contains earnings requirements and is only partially refundable for households with little or no tax liability; the Democrats' bill would remove work requirements and make the full credit amount refundable.

The credit expansion including the baby bonus under DelBene's bill and amendment last week, similar to the 2021 law, would only be available at the full amounts for households earning up to \$150,000, or \$75,000 for single filers.

After the current-law \$2,000 credit level expires at the end of 2025, Democrats' proposals would maintain a larger credit but at the lower income phaseouts, targeting it to lower-income households.

Ways and Means Chairman Jason Smith, R-Mo., has expressed openness to discussing the child credit, but it wasn't in the package that the panel approved this week. Republicans are opposed to Democrats' 2021 expansion, and in particular to removing earnings requirements.

The boost for newborns is one more feature that lawmakers could look at for dialing up aid for families under the credit, particularly if bipartisan negotiations around a tax package materialize this year.

House Democrats reiterated during last week's Ways and Means markup that they expect to discuss an expansion of the child credit in bipartisan tax talks. "When we make investments in our children through the expanded child tax credit, the return that we get is incredible," DelBene said.

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They found that compared with a child whose parents had to wait a year for the tax benefit, December babies ended up with higher math and reading test scores, were more likely to graduate high school and earned more money as young adults.

## Balancing act

Key Democrats have said they'd need to see an expansion of the child credit—or something equivalent to bolster the social safety net—in a tax package this year, particularly one that extends tax breaks for businesses.

The trio of bills Ways and Means Republicans advanced last week in total would provide around \$236 billion worth of tax breaks, including the bonus standard deduction and various pro-business provisions.

Outside groups including the NAACP, National Urban League, the Leadership Conference on Civil and Human Rights and UnidosUS sent a [letter](#) to lawmakers last week pressing them not to extend or expand corporate tax breaks unless they're paired with an expanded child tax credit that's paid in monthly installments and lacks earnings requirements.

“Policymakers should not put corporate interests ahead of the interests of children,” the groups wrote in their June 14 letter.

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