

October 5, 2026

Submitted via www.regulations.gov
Internal Revenue Service
Office of Associate Counsel (Income Tax & Accounting)

Re: IRS-2026-1057-0001. Comments in Response to: Application of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the Refunded Portion of Certain Federal Refundable Tax Credits

I am writing on behalf of the National Immigration Law Center to express our strong opposition to the Notice of Proposed Rulemaking, “Application of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the Refunded Portion of Certain Federal Refundable Tax Credits” (proposed rule) the Internal Revenue Service (IRS) and Department of the Treasury (Treasury) published in the Federal Register on August 20, 2026.

Founded in 1979, NILC is the leading advocacy organization in the United States exclusively dedicated to defending and advancing the rights and opportunities of low-income immigrants and their families. We focus on issues that affect the well-being and economic security of immigrants and their families: health care and safety net programs; taxes and tax credits; education and training; workers’ rights; and other federal and state policies affecting immigrants. To advance our mission, we use three integrated strategies: litigation, state and federal policy advocacy, and strategic communications.

For four decades, NILC has been at the forefront of many of the country’s greatest challenges in addressing immigration issues. NILC is a leading organization in the immigrant justice movement, playing a central role in shaping policy—including at the state and local levels—and in initiating litigation to defend and advance equal rights and opportunities for immigrant families with low incomes. For many years, NILC has analyzed and challenged federal policies that restrict immigrants’ access to public benefits and other supports, advised advocates and service providers on complex immigrant-eligibility rules, and developed public-facing resources for immigrant communities. That experience gives NILC insight into how changes in eligibility standards create confusion, deter eligible families from seeking assistance, and impose substantial burdens on community organizations and immigrants.

The proposed rule is incompatible with the law and would primarily harm lawfully present immigrants who work, pay taxes, and live in the United States, along with their spouses and children, many of whom are U.S. citizens. It would significantly limit eligibility for the refundable portions of certain tax credits for hundreds of thousands of taxpayers and affect an estimated 1 million people living in those families.¹ If finalized, only immigrants who are

¹ Kris Cox, *In Radical Departure From Long-Standing Policy and Federal Law, Trump Administration Proposes New Regulation to Take Tax Credits Away From Many Families That Include Immigrants With Lawful Status*, Ctr.



“qualified” under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) would be eligible for the refundable portions of the Adoption Tax Credit, the American Opportunity Tax Credit, the Child Tax Credit, and the Earned Income Tax Credit.

We oppose this rule because it is unlawful; inconsistent with congressional intent and longstanding agency interpretation; would harm immigrant families; would create significant chilling effects that discourage tax filing and benefit participation; and would impose substantial administrative burdens on taxpayers, tax preparers, legal service providers, and community organizations.

The proposed rule follows a series of recent federal actions that have sought to restrict immigrant access to programs and supports for which Congress made them eligible, actions that have failed to survive scrutiny by federal judges. Viewed in that broader context, this proposal is likely to exacerbate confusion among immigrant communities and undermine public confidence in the tax system and federal institutions.

Treasury should consider all citations to supporting evidence and authority as part of the formal administrative record for purposes of the Administrative Procedure Act.

Throughout the extensive comments that follow, we have included numerous citations to supporting evidence and authority, including active links. We direct Treasury to each citation and corresponding link and we request that the full text of the evidence and authority cited, along with the full text of our comment, be incorporated into the formal administrative record.

The proposed rule is inconsistent with federal law, Congressional intent, and longstanding agency interpretation

Under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), only “qualified” immigrants are eligible for “Federal public benefits.”² That term includes specific categories defined in PRWORA,³ such as green card holders, refugees, and asylees. All other noncitizens are not “qualified,” including many lawfully present immigrants such as people with Temporary Protected Status, nonimmigrant visa holders, applicants for various forms of protections, and people granted deferred action (including under the Deferred Action for Childhood Arrivals Program).

on Budget & Pol’y Priorities (Sep. 14, 2026), <https://www.cbpp.org/research/federal-tax/in-radical-departure-from-long-standing-policy-and-federal-law-trump>; Danielle Wilson, et al., *New Estimates of the Total Number of People and Children in Immigrant Families Who Could Lose Eligibility for the Refundable Portions of the Earned Income Tax Credit and Child Tax Credit*, Rsch. to Action Hub for Child. in Immigr. Families (Sep. 29, 2026), <https://www.diversitydatakids.org/research-library/research-report/new-estimates-total-number-people-and-children-immigrant-families>.

² 8 U.S.C. 1611(c).

³ 8 U.S.C. 1641.

The Treasury Department’s proposed rule marks a stark departure from 30 years of agency policy and interpretation of PRWORA’s “Federal public benefit” restriction.⁴ Treasury claims that it now believes PRWORA bars immigrants who are not “qualified” from receiving the refundable portions of these credits because they constitute “Federal public benefits.” This novel interpretation is inconsistent with the tax code and PRWORA itself. Congress has always addressed immigrant eligibility for tax credits in the Internal Revenue Code (IRC). For example, Congress revised Earned Income Tax Credit (EITC) eligibility for children in immigrant or mixed-status families under PRWORA,⁵ clearly demonstrating that it did not intend for the EITC to be treated as a “Federal public benefit.” Congress addressed the restriction on “Federal public benefits” in one section of PRWORA, while addressing the restriction on the EITC in a completely separate provision. The provision defining “Federal public benefit” lists specific types of benefits and other “similar” benefits but does not list tax credits. Tax credits are not “similar” to any of the benefits listed. The separate provision establishing distinct rules for EITC eligibility would be wholly unnecessary if tax credits were already restricted as “Federal public benefits.”

Since PRWORA became law, Congress repeatedly has set eligibility rules for refundable tax benefits that differ from PRWORA’s “Federal public benefits” criteria. Examples include stimulus checks under the Economic Stimulus Act of 2008; the Making Work Pay Credit under the American Recovery and Reinvestment Act of 2009; the Child Tax Credit (CTC) expansion in the 2017 Tax Cuts and Jobs Act; stimulus checks under the 2020 CARES Act; and the exclusions to the Child, American Opportunity and Lifetime Learning Tax Credits under Public Law 119-21 in 2025. In each case, Congress used the tax code to specify which tax filers were eligible, and in each of these cases, Congress chose to use the tax filer’s Social Security number (SSN) as the eligibility basis, rather than the much stricter standards for a “qualified” immigrant. Treasury now attempts to override those specific (and more recent) tax provisions using a general 1996 statute to serve the present administration’s anti-immigrant agenda. Such an interpretation would make each of those publicly debated congressional actions nonsensical and moot.

The proposed rule also departs from longstanding agency interpretation. For decades, Congress, the public, and Treasury/IRS have understood that refundable tax credits are governed by the tax code, not PRWORA’s immigrant restriction framework. Congress repeatedly amended the eligibility rules for these credits with that understanding in mind. Treasury now abandons that settled interpretation without sufficient justification, relying instead on a politically driven radical reinterpretation of PRWORA’s definition of “Federal public benefit.” In the decades after PRWORA’s enactment, the IRS consistently stated that PRWORA limitations did not apply to tax benefits, including the credits the proposed rule would affect. In 2004, a GAO report indicated that the IRS “does not believe that it has the legal authority to distinguish between legal

⁴ In 2025, several federal agencies issued notices seeking to dramatically expand the programs that are restricted as “Federal public benefits” to exclude immigrants who are not “qualified” from these programs. Those notices have been vacated by a district court. *New York v. Dep’t of Justice*, C.A. No. 1:25-cv-00345-MSM-PAS (D.R.I. Sep. 21, 2026).

⁵ PRWORA, Pub. L. No. 104-193, § 451, 110 Stat. 2105, 2276-77 (1996).



and illegal resident aliens for tax purposes,”⁶ and, as discussed below, the IRS is attempting to get around that fact by implementing an unworkable and dangerous attestation requirement. As the proposed rule notes, Treasury and the IRS never previously considered tax benefits “including refundable credits,” as “Federal public benefits” under PRWORA.⁷ In other words, this is an unlawful tax increase targeting lawfully present immigrants.

For decades, immigrant families, tax preparers, taxpayers, service providers, and others have relied on the consistent position that the refundable portions of tax credits are governed by the tax code, not PRWORA’s public benefit restrictions. This reinterpretation will create confusion for taxpayers and for organizations that work with them. Those organizations will have to undertake significant work to educate themselves about immigration law and these unclear changes, and to communicate those changes to the people they serve. Treasury’s abrupt reversal fails to meaningfully account for those significant reliance interests.

The tax credits this proposal would restrict are vital

This proposal would radically change how the EITC, CTC, AOTC, and ATC work. As discussed throughout this comment, under the proposed rule, these credits would be deemed a “Federal public benefit” under PRWORA and be available only to “qualified” immigrants and citizens.

The affected tax credits support working families and children

Congress designed the EITC and CTC to support working families and children

The EITC and CTC are some of the federal government’s most important tools for supporting working families and reducing child poverty. Congress designed these credits to supplement earnings, reward work, and help families meet the costs of raising children. In working with immigrant communities, NILC has consistently observed that tax refunds provide critical financial support for immigrant families, helping them pay rent, buy food, cover child care and educational expenses, address medical needs, and meet other basic costs. The proposed rule would fundamentally alter how these longstanding supports operate for hundreds of thousands of immigrant families and, by adding restrictions not conceived of by lawmakers, would undermine Congress’s intent in creating and shaping these poverty reduction measures.

The EITC supports low-income working families, especially those with children. Benefits phase in as earnings rise and vary by filing status and number of qualifying children.⁸ To be eligible to claim the EITC, tax filers, their spouses, and all qualifying children must have SSNs.⁹ The CTC provides up to \$2,200 per child (up to \$1,700 refundable) to help families with the cost of raising

⁶ U.S. Gov’t Accountability Off., *Internal Revenue Service: Individual Taxpayer Identification Numbers Can Be Improperly Obtained and Used*, GAO-04-529 (Mar. 10, 2004), <https://www.gao.gov/products/gao-04-529t>.

⁷ 91 Fed. Reg. 53812.

⁸ For example, in 2026, the EITC will provide credits from \$664 for workers without children to \$8,231 for workers with 3 or more children. See Tax Pol’y Ctr., *How does the earned income tax credit affect poor families?* (Feb. 2026), <https://taxpolicycenter.org/briefing-book/how-does-earned-income-tax-credit-affect-poor-families>.

⁹ PRWORA, Pub. L. No. 104-193, § 451, 110 Stat. 2105, 2276-77 (1996).

children. Because the credit phases in with income, families need significant earnings to receive the full amount. For example, in 2025 a two-parent family with two children needed to earn \$33,700 to receive the full \$2,200 for each child.¹⁰ To claim the CTC, the taxpayer and the child must have SSNs.¹¹

Congress has repeatedly amended the EITC and CTC and has consistently addressed eligibility through the Internal Revenue Code. In doing so, Congress made deliberate choices regarding which taxpayers and children should be eligible for these credits. For example, Congress tied EITC eligibility to SSN requirements rather than PRWORA's "qualified" immigrant framework. Similarly, Congress has repeatedly amended CTC eligibility rules, including recent changes affecting immigrant and mixed-status families. These legislative choices demonstrate that Congress understood how to impose immigration-related eligibility restrictions when it wished to do so and did so through the tax code.¹²

The proposed rule would override those congressional choices by importing an entirely different eligibility framework into the administration of refundable tax credits. As a result, many lawfully present immigrants who live, work, and pay taxes in the United States would lose access to credits that Congress intended to make available to them and their children. The proposal would be especially harmful to mixed-status families, many of whom include U.S. citizen children who would lose access to resources Congress designed to support children's health, development, and economic security.

The proposed rule would exclude hundreds of thousands of children in immigrant families

The EITC and CTC are among the most important supports for working families and children, yet children in immigrant families already face significant barriers to accessing refundable tax credits due to existing restrictions. The proposed rule would further exclude hundreds of thousands of children, most of whom are U.S. citizens in working immigrant families with SSNs who otherwise qualify for the credit. Current law already excludes 1.63 million U.S. citizen children in poverty from the EITC because someone in their household lacks an SSN.¹³

The CTC is also unavailable to millions of children in immigrant and mixed-status families due to restrictions enacted by Congress in recent years. In 2017, the Tax Cuts and Jobs Act limited the CTC to children with work-authorized SSNs. In 2025, Public Law 119-21 further restricted

¹⁰ Sophie Collyer, et al., *Children Left Behind by H.R. 1 'One Big Beautiful Bill Act' Child Tax Credit*, Columbia Univ. Ctr. on Poverty & Soc. Pol'y (Aug. 6, 2025), <https://povertycenter.columbia.edu/publication/2025/children-left-behind-by-child-tax-credit-reconciliation>.

¹¹ Tax Pol'y Ctr., *What is the child tax credit?* (Aug. 2025), <https://taxpolicycenter.org/briefing-book/what-child-tax-credit>.

¹² See Margot Crandall-Hollick & Elaine Maag, *Treasury's Plan to Consider Refundable Tax Credits Public Benefits Appears to Override Congressional Intent*, Tax Pol'y Ctr. (Dec. 9, 2025), <https://taxpolicycenter.org/taxvox/treasury-plan-consider-refundable-tax-credits-public-benefits-appears-override>.

¹³ Dolores Acevedo-Garcia, et al., *A Policy Equity Analysis of the EITC*, Brandeis Univ. (Apr. 20, 2022), <https://www.diversitydatakids.org/research-library/policy-equity-assessment/policy-equity-analysis-eitc>.

eligibility for the CTC by requiring a child and at least one parent in a filing household to have an SSN. In total, these rules exclude approximately 4 million children in immigrant or mixed-status families from the CTC.¹⁴ Even so, many work-authorized noncitizens who are not “qualified” under PRWORA remained eligible to claim the CTC for their children, most of whom are U.S. citizens.

The proposed rule would expand those exclusions, denying eligibility for the EITC to an additional 309,000 children, the vast majority of whom are U.S. citizens (86%).¹⁵ Although their parents have SSNs, these children would be denied benefits because their parents do not meet PRWORA’s definition of “qualified.”

The proposal would disproportionately harm mixed-status families. Many affected households include U.S. citizen children and parents who are lawfully present, are authorized to work, and pay taxes in the United States. This proposed rule would limit resources available to these families not because of the children’s eligibility but because it seeks to replace the eligibility framework Congress established in the tax code with an entirely different standard.

For immigrant families, refundable tax credits often help meet basic needs while navigating low wages, unstable work schedules, rising housing costs, and other barriers to economic security. The loss of EITC and CTC benefits would therefore reduce resources available for children’s health, development, education, and overall well-being.

The proposed rule would deny support to hundreds of thousands of children whom Congress did not intend to exclude from these credits. By restricting access to benefits designed to reward work and reduce child poverty, Treasury’s proposal would increase hardship among working families while undermining the economic security of children, most of whom are U.S. citizens.

Refundable tax credits reduce poverty and economic hardship

Decades of research demonstrate that refundable tax credits substantially reduce poverty. The 2025 poverty estimates show that the EITC and refundable portion of the CTC reduced the poverty rate by 1.8 percentage points, lifting 6.1 million people, including 3.3 million children, above the poverty line.¹⁶ Researchers have repeatedly found that expansions of refundable tax credits produce large reductions in child poverty and material hardship. The EITC in particular has been associated with significant reductions in poverty among families with children, while

¹⁴ Elisa Minoff, *The Child Tax Credit: Where We Are, Where Families Think We Should Go*, Ctr. For Study of Soc. Pol’y (July 2025), https://cssp.org/wp-content/uploads/2025/07/CSSP_Childcare-Tax-Credit-July-2025.pdf.

¹⁵ Wilson, et al., *supra* note 1.

¹⁶ Christina Bijou & Emily A. Shrider, *Poverty in the United States: 2025*, Census Bureau (Sep. 2026), <https://www2.census.gov/library/publications/2026/demo/p60-290.pdf>.

the CTC has consistently lifted millions of children and family members above the poverty line.¹⁷

In 2024, the CTC reduced the child poverty rate¹⁸ by approximately 20 percent.¹⁹ During the temporary 2021 expansion, the credit helped drive the child poverty rate to the lowest level on record, lifting millions of children above the poverty line.²⁰ Analyses by the National Academies of Sciences, Engineering, and Medicine similarly found that the combined effect of the EITC and CTC dramatically reduced child poverty and provided one of the most effective means available to improve children's economic security. Without other pandemic-era supports, the tax credits alone would have reduced child poverty by nearly 10 percentage points, lifting over 7 million children out of poverty.²¹

Research also demonstrates that refundable tax credits reduce material hardship and help families weather financial instability. Studies of both the EITC and the expanded CTC found improvements in food security, housing stability, and overall economic well-being.²² Families

¹⁷ Nat'l Acad. of Sci., Eng'g, & Med., *A Roadmap to Reducing Child Poverty* (2019), <https://doi.org/10.17226/25246>; Nat'l Acad. of Sci., Eng'g, & Med., *Pathways to Reduce Child Poverty: Impacts of Federal Tax Credits* (2026), <https://doi.org/doi:10.17226/29163>; Hilary W. Hoynes & Ankur J. Patel, *Effective Policy for Reducing Poverty and Inequality?*, J. Human Res. (Oct. 2018), <https://doi.org/10.3368/jhr.53.4.1115.7494R1>.

¹⁸ Calculated using the Supplemental Poverty Measure (SPM).

¹⁹ Sophie Collyer, et al., *How the U.S. Child Tax Credit has Benefited Children over Time: Historical Trends in Eligibility, Poverty, and Income Inequality*, Int'l Tax & Pub. Fin. (2026), <https://rdcu.be/frwRk>.

²⁰ See Kalee Burns, et al., *Expansions to Child Tax Credit Contributed to 46% Decline in Child Poverty Since 2020*, Census Bureau (Sep. 13, 2022), <https://www.census.gov/library/stories/2022/09/record-drop-in-child-poverty.html>; see also Megan A. Curran, PhD, *Research Roundup of the Expanded Child Tax Credit: One Year On*, Columbia Univ. Ctr. on Poverty & Soc. Pol'y (Nov. 15, 2022), <https://povertycenter.columbia.edu/sites/povertycenter.columbia.edu/files/content/Publications/Child-Tax-Credit-Research-Roundup-One-Year-On-CPSP-2022.pdf>; Megan Curran, et al., *Evaluating the Effects of the 2021 Expansion of the Child Tax Credit*, 710 Annals Amer. Acad. Pol. & Soc. Sci. (Nov. 2023), <https://journals.sagepub.com/toc/ann/710/1>.

²¹ Nat'l Acad. of Sci., Eng'g, & Med., *Pathways to Reduce Child Poverty*, *supra* note 16.

²² See, e.g., Stephanie Ettinger de Cuba, et al., *Expanded Child Tax Credit, Family Health, and Material Hardships*, 8 JAMA Network Open 6 (June 30, 2025), <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2835797>; Leah Hamilton, et al., "It Saved Us": Parent Perspectives of the 2021 Expanded Child Tax Credit, 4 SN Soc. Sci. 26 (2024), <https://link.springer.com/article/10.1007/s43545-023-00827-z>; Nicholas Moellman, et al., *The Effects of the 2021 Child Tax Credit on Food Insecurity and Financial Hardship*, 710 Annals Amer. Acad. Pol. & Soc. Sci. 90 (2023), <https://doi.org/10.1177/00027162241261189>; Natasha K. Pilkauskas, et al., *The Effects of the 2021 Child Tax Credit on Housing Affordability and the Living Arrangements of Families With Low Incomes*, 61 Demography 1069 (2024), <https://doi.org/10.1215/00703370-11458327>; Leah Hamilton, et al., *The Impacts of the 2021 Expanded Child Tax Credit on Family Employment, Nutrition, and Financial Well-Being*, Brookings (2022), https://www.brookings.edu/wp-content/uploads/2022/04/Child-Tax-Credit-Report-Final_Updated.pdf; Zachary Parolin, et al., *The Effects of the Monthly and Lump-Sum Child Tax Credit Payments on Food and Housing Hardship*, 113 AEA Papers & Proceedings 406 (May 2023), <https://www.aeaweb.org/articles?id=10.1257/pandp.20231088>; Sophie Collyer, et al., *The Effects of the 2021 Monthly Child Tax Credit on Child and Family Well-Being: Evidence from New York City*, 8 Socius (2022), <https://doi.org/10.1177/23780231221141165>; Natasha Pilkauskas, et al., *The Expanded Child Tax Credit and*

receiving these credits are better able to afford groceries, pay rent and utilities, and manage unexpected expenses. Conversely, research examining the expiration of the expanded CTC found increases in food insufficiency and financial hardship after the credit was reduced, illustrating the severe and tangible consequences of withdrawing support from families who depend on it.²³

This research shows that the proposed regulation is likely to increase poverty and economic hardship among lawfully present immigrants, their U.S. citizen children, and their surrounding communities.

Refundable tax credits improve health and family well-being

The benefits of refundable tax credits extend far beyond reducing poverty. A large body of research demonstrates that the EITC and CTC improve health, strengthen family stability, and support children's development.²⁴ By increasing household resources, these credits help families meet basic needs, reduce financial stress, and create healthier environments for children to grow and thrive. Conversely, reducing access to these credits deprives families of resources that support physical health, mental well-being, and long-term family stability.

Research consistently finds that refundable tax credits improve infant and child health outcomes. Studies of the EITC have found reductions in low birth weight, lower rates of preterm birth, improved infant health indicators, and better overall child health outcomes.²⁵ Additional research

Economic Wellbeing of Low-Income Families, 37 J. Population Econ. 68 (2024), <https://doi.org/10.1007/s00148-024-01047-2>.

²³ Zachary Parolin, et al., *Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022*, Columbia Univ. Ctr. on Poverty & Soc. Pol'y (Feb. 17, 2022), <https://povertycenter.columbia.edu/sites/povertycenter.columbia.edu/files/content/Publications/Monthly-poverty-January-CPSP-2022.pdf>; see also Ashley Burnside, et al., *How Parents Use the Child Tax Credit, and Implications of Ended Monthly Payments*, Ctr. L. & Soc. Pol'y (Sep. 12, 2022), <https://www.clasp.org/publications/report/brief/child-tax-credit-poll-3/>; Allison Bovell-Ammon et al., *Association of the Expiration of Child Tax Credit Advance Payments With Food Insufficiency in US Households*, JAMA Network Open (2022), <https://doi.org/10.1001/jamanetworkopen.2022.34438>.

²⁴ Nat'l Acad. of Sci., Eng'g, & Med., *A Roadmap to Reducing Child Poverty* (2019), <https://doi.org/10.17226/25246>; Samuel Hammond & Robert Orr, *Measuring the Child Tax Credit's Economic and Community Impact*, Niskanen Ctr. (2021), <https://www.niskanencenter.org/wp-content/uploads/2021/08/Measuring-the-Child-Tax-Credits-Economic-and-Community-Impact.pdf>; Jennifer Sykes, et al., *Dignity and Dreams: What the Earned Income Tax Credit (EITC) Means to Low-Income Families*, Amer. Sociological Rev. (2015), <https://doi.org/10.1177/0003122414551552>.

²⁵ Hilary Hoynes, et al., *Income, the Earned Income Tax Credit, and Infant Health*, Am. Econ. J: Econ. Pol'y (Feb. 2015), <https://www.aeaweb.org/articles?id=10.1257/pol.20120179>; Brian Hill & Tami Gurley-Calvez, *Earned Income Tax Credits and Infant Health: A Local EITC Investigation*, 72 Nat'l Tax J. 3 (Sep. 1, 2019), <https://doi.org/10.17310/ntj.2019.3.06>; Kate W. Strully, et al., *Effects of Prenatal Poverty on Infant Health: State Earned Income Tax Credits and Birth Weight*, 75 Amer. Sociological Rev. 4 (Aug. 11, 2010), <https://doi.org/10.1177/0003122410374086>; Sara Markowitz, et al., *Effects of State-Level Earned Income Tax Credit Laws in the U.S. on Maternal Health Behaviors and Infant Health Outcomes*, 194 Soc. Sci. & Med. 67 (Dec. 2017), <https://doi.org/10.1016/j.socscimed.2017.10.016>; Kelli A. Komro, et al., *Effects of State-Level Earned Income Tax Credit Laws on Birth Outcomes by Race and Ethnicity*, 3 Health Equity 1 (2019),

links the EITC to reductions in food insecurity,²⁶ improvements in children's physical health,²⁷ and healthier home environments.²⁸ Emerging evidence regarding the expanded CTC similarly demonstrates improvements in infant health and child behavioral health.²⁹

Refundable tax credits also improve the health and well-being of parents and caregivers. Research on the EITC has found improvements in maternal physical and mental health, including reductions in depression, fewer poor mental health days, lower physiological stress, and improvements in overall well-being.³⁰

Research also shows that refundable tax credits strengthen family stability and child well-being. Studies have linked the EITC and child-related tax benefits to reductions in child maltreatment, child protective services involvement, foster care placements, and other indicators of family

<https://doi.org/10.1089/heq.2018.0061>; Jeannette Wicks-Lim & Peter Arno, *Improving Population Health by Reducing Poverty: New York's Earned Income Tax Credit*, 3 SSM - Population Health 373 (Dec. 2017), <http://dx.doi.org/10.1016/j.ssmph.2017.03.006>.

²⁶ Akansha Batra MS & Rita Hamad MD, PhD, *Short-Term Effects of the Earned Income Tax Credit on Children's Physical and Mental Health*, 58 Annals of Epidemiology 15 (June 2021), <https://doi.org/10.1016/j.annepidem.2021.02.008>.

²⁷ Rita Hamad, et al., *Estimating the Short-Term Effects of the Earned Income Tax Credit on Child Health*, 187 Amer. J. Epidemiology 2633 (Sep. 5, 2018), <https://doi.org/10.1093/aje/kwy179>.

²⁸ Susan Averett & Yang Wang, *Effects of Higher EITC Payments on Children's Health, Quality of Home Environment, and Noncognitive Skills*, 46 Pub. Fin. Rev. 4 (June 30, 2016), <https://doi.org/10.1177/1091142116654965>; Rita Hamad & David H. Rehkopf, *Poverty and Child Development: A Longitudinal Study of the Impact of the Earned Income Tax Credit*, 183 Amer. J. Epidemiology (May 1, 2016), <https://doi.org/10.1093/aje/kwv317>.

²⁹ Reagan A. Baughman & Noelia Duchony, *State Earned Income Tax Credits and the Production of Child Health: Insurance Coverage, Utilization, and Health Status*, 69 Nat'l Tax J. 1 (Mar. 1, 2016), <https://doi.org/10.17310/ntj.2016.1.04>; Reagan Baughman, *The Effects of State EITC Expansion on Children's Health*, Carsey Publications 168 (2012), <https://scholars.unh.edu/carsey/168/>.

³⁰ William N. Evans & Craig L. Garthwaite, *Giving Mom a Break: The Impact of Higher EITC Payments on Maternal Health*, 6 Amer. Econ. J. Econ. Pol. 258 (May 2014), <http://dx.doi.org/10.1257/pol.6.2.258>; Casey Boyd-Swan, et al., *The Earned Income Tax Credit, Mental Health, and Happiness*, 126 J. Econ. Behavior & Org. 18 (June 2016), <https://doi.org/10.1016/j.jebo.2015.11.004>; Anuj Gangopadhyaya, et al., *Credit where it is Due: Investigating Pathways from Earned Income Tax Credit Expansion to Maternal Mental Health*, 29 Health Econ. 975 (Sep. 2020), <https://doi.org/10.1002/hec.4034>.

instability.³¹ Researchers also have found that the expanded CTC reduced food insecurity, housing issues, and other forms of hardship that place significant stress on families.³²

The loss of EITC and CTC benefits would reduce resources that help families secure stable housing, access nutritious food, maintain good health, and support children's development. The proposed rule would therefore undermine a broad range of health and family well-being outcomes that Congress sought to promote through these credits.

Refundable tax credits improve children's long-term outcomes

Evidence demonstrates that additional income provided through the EITC and CTC can shape children's educational attainment, economic mobility, and long-term well-being. By helping families meet basic needs during critical stages of childhood development, these credits create opportunities that can influence outcomes far into adulthood.

Childhood exposure to the EITC has been consistently linked to improved educational outcomes. Studies have found that children in families receiving larger EITC benefits achieve higher test scores,³³ are more likely to graduate from high school,³⁴ and have higher rates of college enrollment and completion.³⁵ Researchers have found that increases in family income resulting

³¹ Lawrence M. Berger et al., *Income and Child Maltreatment in Unmarried Families: Evidence from the Earned Income Tax Credit*, 15 Rev. Econ. Household 1345 (2017), <https://doi.org/10.1007/s11150-016-9346-9>; Nicole Kovski, et al., *Association of State-Level Earned Income Tax Credits with Rates of Reported Child Maltreatment, 2004-2017*, 27 Child Maltreatment 325 (2021), <https://doi.org/10.1177/1077559520987302>; Katherine Rittenhouse, *Income and Child Maltreatment: Evidence from a Discontinuity in Tax Benefits* (2025), <https://ssrn.com/abstract=4349231>; Nicole Kovski, et al., *Short-Term Effects of Tax Credits on Rates of Child Maltreatment Reports in the United States*, 150 Pediatrics 1 (2022), <https://doi.org/10.1542/peds.2021-054939>; Whitney Rostad, et al., *Reducing the Number of Children Entering Foster Care: Effects of State Earned Income Tax Credits*, 25 Child Maltreatment 4 (2020), <https://doi.org/10.1177/1077559519900922>; Joanne Klevens, et al., *Effect of the Earned Income Tax Credit on Hospital Admissions for Pediatric Abusive Head Trauma, 1995-2013*, 132 Public Health Reports 4 (2017), <https://doi.org/10.1177/0033354917710905>; Alexandria Coffey, et al., *The Impact of Refundable State Earned Income Tax Credits on Foster Care Entry Rate Trends*, 158 Child Abuse & Neglect (Dec. 2024), <https://doi.org/10.1016/j.chiabu.2024.107130>.

³² See, e.g., de Cuba, et al., *Expanded Child Tax Credit, Family Health, and Material Hardships*, 8 JAMA Network Open 6 (June 30, 2025), <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2835797>.

³³ Raj Chetty, et al., *New Evidence on the Long-Term Impacts of Tax Credits* (Nov. 2011), <https://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>; Gordon B. Dahl & Lance Lochner, *The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit*, 102 Amer. Econ. Rev. 1927 (Aug. 2012), <https://doi.org/10.1257/aer.102.5.1927>; Francesco Agostinelli & Giuseppe Sorrenti, *Money vs. Time: Family Income, Maternal Labor Supply, and Child Development* (Oct. 20, 2022), https://www.francesco-agostinelli.com/uploads/3/9/5/3/39536105/agostinelli_sorrenti_moneyvstime.pdf.

³⁴ Jacob Bastian & Katherine Micheltore, *The Long-Term Impact of the Earned Income Tax Credit on Children's Education and Employment Outcomes*, 36 J. Lab. Econ. 4 (July 19, 2018), <https://doi.org/10.1086/697477>; Andrew Barr, et al., *Investing in Infants: the Lasting Effects of Cash Transfers to New Families*, 137 Quarterly J. Econ. 2539 (Apr. 20, 2022), <https://doi.org/10.1093/qje/qjac023>; Chetty, et al., *supra* note 33.

³⁵ Day Manoli & Nicholas Turner, *Cash-on-Hand and College Enrollment: Evidence from Population Tax Data and the Earned Income Tax Credit*, 10 Amer. Econ J: Econ. Pol'y 242 (May 2018), <https://doi.org/10.1257/pol.20160298>.

from refundable tax credits contribute to improvements in children's academic achievement, including higher test scores and other educational outcomes.³⁶

The long-term economic benefits are also significant. Higher EITC benefits received during childhood are associated with increased employment, higher earnings, and reduced poverty in adulthood.³⁷ Greater exposure to the EITC throughout childhood increases the likelihood that children will be employed as adults and improves their long-term economic prospects.³⁸ These findings demonstrate that refundable tax credits promote economic mobility and strengthen future workforce participation.

The expanded CTC is similarly linked to improvements in children's long-term health and well-being. Studies have found positive effects on infant health and child behavioral health,³⁹ adding to a broader body of evidence demonstrating that investments in children's economic security can produce lasting developmental benefits.⁴⁰

By restricting access to credits that Congress designed to support children and working families, the proposed rule will undermine not only children's current well-being but also their long-term opportunities and economic security.

The proposed rule would undermine educational opportunities

The American Opportunity Tax Credit (AOTC) helps make higher education more affordable by providing up to \$2,500 per eligible student per year for the first four years of post-secondary education. It covers qualified tuition and related expenses, such as course-related books, supplies and equipment, but not room and board. Up to \$1,000 of the credit is refundable, allowing eligible taxpayers to receive this portion even if they owe no federal income tax. Congress designed the AOTC to promote educational attainment, workforce development, and economic mobility by reducing the financial barriers that prevent students from pursuing postsecondary education.

³⁶ Dahl & Lochner, *supra* note 33.

³⁷ Barr, et. al., *supra* note 34.

³⁸ Bastian & Michelmore, *supra* note 34; Randall Akee, et al., *The EITC and Linking Data for Examining Multigenerational Effects.* "In *Measuring Distribution and Mobility of Income and Wealth* (2022), <https://www.nber.org/books-and-chapters/measuring-distribution-and-mobility-income-and-wealth/eitc-and-linking-data-examining-multigenerational-effects>; see also Nicardo McNinnis, et al., *The Intergenerational Transmission of Poverty and Public Assistance: Evidence from the Earned Income Tax Credit*, 61 J. Hum. Res. 1071 (July 2026), <https://doi.org/10.3368/jhr.0422-12241R2>.

³⁹ Guangyi Wang, PhD, et al., *The Impact of the 2021 Child Tax Credit on Perinatal Health: Evidence From the Expansion and Postexpiration Periods*, 71 Amer. J. Preventive Med. (2026), <https://doi.org/10.1016/j.amepre.2026.108360>; Claire E. Margerison, et al., *Impacts of the 2021 Child Tax Credit Advance Monthly Payments on Birth Outcomes In the United States: A Natural Experiment*, 194 Amer. J. Epidemiology 3646 (Dec. 2025), <https://doi.org/10.1093/aje/kwaf211>.

⁴⁰ Guangyi Wang, et al., *The 2021 Child Tax Credit and Children's Health and Well-Being: Evidence From a National Longitudinal Study*, 104 Milbank Quarterly 116 (Mar. 2026), <https://doi.org/10.1111/1468-0009.70064>.

Denying access to the refundable portion of the AOTC would increase higher education costs for affected students and families while undermining Congress's goal of expanding educational opportunity. More than 8 million college students in the United States are immigrants or have immigrant parents.⁴¹ Many students in immigrant families already face significant financial obstacles to attending and completing college, including limited family resources, rising tuition costs, and reduced access to financial aid.

The proposed rule would harm DACA recipients and other lawfully present immigrant students who often have fewer options for financing higher education. DACA recipients are ineligible for federal student aid⁴² and generally must rely on employment, family support, scholarships, or tax benefits to cover educational expenses. For these students, the refundable portion of the AOTC can provide meaningful assistance with the costs of tuition, books, and other educational necessities. Eliminating access to that support would create yet another barrier to educational attainment and economic mobility.

As discussed above, research consistently demonstrates that higher levels of educational attainment are associated with higher earnings, greater workforce participation, and increased tax contributions over time. Restricting access to a tax credit designed to make college more affordable is therefore counterproductive. The proposed rule would make it more difficult for students to pursue education and training that can increase their future earnings and economic contributions, ultimately undermining the very economic mobility and workforce development goals that Congress sought to advance through the AOTC.

Many of the students affected by this proposal have lived, studied, and worked in the United States for years and are pursuing education to build stable futures for themselves and their families. By limiting access to educational support based on immigration category, the proposed rule would reduce opportunities for students whom Congress intended to help and make higher education less accessible for immigrant families.

The proposed rule would undermine family formation and permanency

The Adoption Tax Credit (ATC) helps families offset the significant costs of adoption by providing a credit of up to \$17,280 per adopted child. Eligible families may claim qualified expenses such as agency fees, legal costs, court expenses, home studies, and travel. Families adopting children from foster care who receive adoption assistance may qualify for the full credit regardless of actual expenses. The credit reflects a longstanding federal commitment to reducing financial barriers to adoption, promoting permanent family placements, and supporting the well-being of children who need stable, loving homes.

In 2025, Congress made the ATC partially refundable, ensuring that lower-income families can participate in the adoption process more equitably. At the same time, Congress imposed new

⁴¹ Higher Ed Immigration Portal, <https://www.higheredimmigrationportal.org/national/national-data/>.

⁴² See, e.g., Fed. Student Aid, *Undocumented Students and Financial Aid*, <https://studentaid.gov/apply-for-aid/fafsa/filling-out/undocumented-students>.



immigration restrictions on certain other credits but did not do so for the ATC. Instead, Congress left intact the eligibility framework it had already created for this credit. The ATC includes certain immigration restrictions regarding the adopted child: Congress restricted ‘special needs’ treatment, which allows families to receive the full credit regardless of expenses, to qualifying children who were U.S. citizens or residents when the adoption process began. When Congress imposed restrictions on certain other refundable tax credits, it chose to make the ATC partially refundable without adding new SSN restrictions, thereby prioritizing the goal of lowering adoption costs for otherwise eligible families.

The proposed rule would override those congressional choices by improperly importing PRWORA’s framework into the administration of the refundable portion of the ATC. As a result, many lawfully present immigrants who live, work, and pay taxes in the United States would lose access to assistance that Congress chose to make available to adoptive families. The proposal would exclude families based on immigration category rather than their ability to provide a safe, stable, and permanent home for a child.

Research consistently demonstrates that children benefit from stable and permanent family placements. Placement instability and adoption disruptions are associated with worse educational, behavioral, and mental health outcomes for children.⁴³ By making adoption more expensive for affected families, the proposed rule could create additional barriers to adoption and permanency for children who would benefit from stable family placements.

Nothing about the proposed rule advances the core purposes of the ATC. Treasury fails to identify a connection between immigration status and a family’s ability to care for a child or successfully complete an adoption. Instead, it would deny support to many prospective adoptive parents whom Congress chose not to exclude, making adoption more expensive and less accessible for families while undermining the child welfare and permanency goals that Congress sought to advance through the credit.

The proposed rule will create chilling effects and undermine participation in public systems

The proposed regulation, combined with the 2026 Department of Homeland Security (DHS) public charge rule and other recent federal actions affecting immigrants, creates a significant risk that eligible immigrant families will avoid filing taxes and claiming credits that Congress designed to reward work and reduce child poverty. Immigration-related fears already cause families to forgo benefits for which they are eligible. Treasury’s proposal would exacerbate those harms by linking refundable tax credits to a complex immigration status framework that many taxpayers do not understand, and that many families reasonably fear could have immigration consequences.

NILC has spent decades helping advocates, service providers, and immigrants navigate complex interactions among immigration law, public benefit eligibility rules, and public charge. Our

⁴³ Casey Family Programs, *What Impacts Placement Stability?* (May 12, 2023), <https://www.casey.org/placement-stability-impacts/>.

experience consistently demonstrates that families often do not distinguish among different government programs, legal standards, and eligibility frameworks. Instead, families frequently make decisions based on generalized concerns that accepting a government benefit, interacting with a government agency, or disclosing personal information could negatively affect their immigration status or that of a family member. When federal agencies characterize a program as a “public benefit” or tie eligibility to immigration status, many families reasonably fear that participation could carry immigration consequences.

A July 2026 Brookings analysis found that noncitizens use public benefits at lower rates than citizens despite being disproportionately likely to have low incomes and qualify for assistance.⁴⁴ That pattern persists across most major programs even after accounting for demographic and economic differences. It is therefore not reasonable for Treasury to assume that eligible immigrant families will continue claiming refundable tax credits simply because they remain eligible to do so. Existing evidence demonstrates that immigrant families already avoid programs and services out of fear, confusion, and concerns about immigration consequences. As a result of this rule, many eligible immigrants are likely to avoid claiming the tax credits that would help their families thrive.

Recent research also demonstrates the breadth of these chilling effects. One analysis found that adults in immigrant families were avoiding essential daily activities and basic services because of immigration concerns.⁴⁵ Similarly, DHS itself acknowledged in the preamble to the 2026 public charge rule that approximately 1.3 million people are expected to disenroll from or forgo enrolling in public benefit programs, resulting in roughly \$13 billion in reduced annual federal and state expenditures.⁴⁶ Significantly, DHS recognized that many of the people expected to forgo benefits are not themselves subject to public charge determinations. These findings underscore that immigration-related restrictions often affect far more people than those formally subject to a particular rule or policy change.

Previous efforts to expand public charge consequences led to widespread avoidance of public benefit programs, including programs that were never covered by the public charge framework. Research documented substantial rates of benefit avoidance among immigrant families before the 2019 public charge rule was finalized⁴⁷ and even after it was ultimately rescinded.⁴⁸ These chilling

⁴⁴ Sasha Snyder & Tara Watson, *Immigrant public benefit participation: Our estimates*, Brookings (July 24, 2026), <https://www.brookings.edu/articles/immigrant-public-benefit-participation-our-estimates/>.

⁴⁵ Dulce Gonzalez, et al., *Immigrant Families Disengaged from Public Life and Essential Services because of Immigration Concerns in 2025*, Urban Inst. (Apr. 8, 2026), <https://www.urban.org/research/publication/immigrant-families-disengaged-public-life-and-essential-services-because>.

⁴⁶ See, e.g., Mark. H. Greenberg, *A growing effort to restrict immigrants’ access to public benefits*, Brookings (July 24, 2026), <https://www.brookings.edu/articles/a-growing-effort-to-restrict-immigrants-access-to-public-benefits/>.

⁴⁷ Hamutal Bernstein, et al., *Amid Confusion over the Public Charge Rule, Immigrant Families Continued Avoiding Public Benefits in 2019*, Urban Inst. (May 18, 2020), <https://www.urban.org/research/publication/amid-confusion-over-public-charge-rule-immigrant-families-continued-avoiding-public-benefits-2019>.

⁴⁸ Dulce Gonzales, et al., *Mixed-Status Families and Immigrant Families with Children Continued Avoiding Safety Net Programs in 2023*, Urban Inst. (Aug. 7, 2024), <https://www.urban.org/research/publication/mixed-status-families-and-immigrant-families-children-continued-avoiding>

effects extended to families with children, low-income households, and mixed-status families and persisted for years after the underlying policy changed.⁴⁹ Families reported avoiding a wide range of programs and services, including some that had no connection to public charge at all.

This proposed rule risks creating the same harm. If finalized, it would require taxpayers to navigate unfamiliar and complex immigration rules, including whether they are a “qualified” immigrant under PRWORA. Many noncitizens know their immigration status, such as whether they have Temporary Protected Status, DACA, asylum, refugee status, or a particular visa category. Far fewer people know whether that status corresponds to PRWORA’s highly technical framework. Faced with uncertainty, many families may decide not to claim credits at all rather than risk making a mistake that they fear could have immigration or other consequences.

The chilling effects are likely to extend beyond refundable tax credits. Families who become concerned that claiming a credit could affect a future immigration application may avoid filing tax returns altogether. Others may decline to claim credits for which they remain eligible, seek less assistance from tax preparer programs, or avoid interactions with government agencies more broadly. These outcomes would undermine both tax administration and Congress’s longstanding goal of encouraging tax compliance among working families. The IRS acknowledged in court filings that it gave DHS updated addresses for tax filers so that ICE could locate people with removal orders.⁵⁰ This breach of taxpayer privacy exacerbates fears among immigrants, especially those in mixed-status households, and may further deter tax filing.⁵¹

DHS’s recently finalized public charge rule also creates fear that receiving even work-related tax credits could be considered negatively when applying for a green card. By adding fear of incorrectly claiming a credit, this proposed rule could further deter tax filing. These fears reinforce each other and have an additive effect.

This proposed rule is likely to generate confusion, fear, and benefit avoidance among immigrant families well beyond those directly affected by the rule. Experience with public charge, immigrant-benefit restrictions, and other related policies demonstrates that these chilling effects are predictable, substantial, and long-lasting. Treasury’s failure to adequately account for those harms is a significant flaw in the proposed rule.

⁴⁹ *Id.*

⁵⁰ See, e.g., Democracy Forward, *IRS Admits It Illegally Shared Taxpayer Data with ICE, Bringing New Urgency in Ongoing Case to Protect Americans’ Sensitive Information* (Feb. 13, 2026), <https://democracyforward.org/news/press-releases/irs-admits-it-illegally-shared-taxpayer-data-with-ice-bringing-new-urgency-in-ongoing-case-to-protect-americans-sensitive-information/>.

⁵¹ See, e.g., John Garcia, *Tax filers concerned IRS will share information with immigration enforcement authorities*, ABC 7 Chicago (Apr. 15, 2026), <https://abc7chicago.com/post/tax-day-filers-chicago-concerned-irs-will-share-information-immigration-enforcement-authorities/18893726/>.

The proposed rule will impose significant administrative burdens

Determining “qualified” immigrant status is complex and confusing

Under the proposed rule, anyone claiming the affected credits will be required to attest that they are a U.S. citizen or national or a “qualified” immigrant. The proposed forms would also require taxpayers to affirmatively state that they are seeking a “Federal public benefit.” These requirements would introduce unfamiliar legal concepts into the tax filing process and create confusion for taxpayers.

Whether someone is “qualified” is not an immigration status, but a highly technical benefit eligibility category that incorporates multiple immigration classifications, statutory exceptions, and eligibility rules. As noted above, few immigrants are likely to know whether their status counts as “qualified.”

For example, one category of “qualified” immigrants under PRWORA is “Cuban and Haitian entrants.” In this context, a “Cuban or Haitian entrant” is not an immigration status, but a public benefits eligibility category that includes a range of immigration statuses and circumstances.⁵² Determining whether someone is a Cuban or Haitian entrant is often a complex task that involves understanding the person’s manner of entry into the United States and the current status of any relevant immigration proceedings. Tax preparers, let alone individual taxpayers, are unlikely to be qualified to determine whether someone is a Cuban or Haitian entrant under PRWORA. Similarly, a tax preparer may need to understand the complex laws protecting survivors of domestic violence to determine whether a taxpayer is a “qualified” immigrant. Requiring tax filers and preparers to properly understand these distinctions, with potential criminal consequences if they do not, is unreasonable and harmful. Families who are unsure of their eligibility will face impossible choices between claiming tax credits that are vital to their economic well-being or risking potential jail time if they are wrong.

The complexity is compounded by recent changes to immigrant eligibility rules across multiple federal programs. Many immigrants have recently received conflicting information regarding eligibility for Medicaid, SNAP, tax credits, and other programs. Individuals who have lost eligibility for one program may incorrectly assume they are no longer “qualified,” while others may be uncertain whether recent changes affecting persons granted parole, humanitarian protections, or other immigration categories affect their eligibility. Treasury does not meaningfully account for the confusion these overlapping changes are likely to create.

Tax preparers and community organizations are not equipped to make immigration determinations

The proposed rule also would impose substantial burdens on the professionals and organizations that help taxpayers comply with federal tax law. Tax preparers are generally trained in tax law, not immigration law or public benefit eligibility rules. Nonetheless, this proposed rule would

⁵² 45 CFR § 401.2.

effectively require many preparers to help taxpayers navigate a complex immigration-related determination before claiming credits that have historically been administered through ordinary tax law. Eligibility workers who determine whether immigrants are “qualified” for Medicaid and SNAP undergo significant and lengthy training. Some companies may choose to simply refuse to assist certain groups of immigrants due to the complexity of immigration and benefits laws, and the consequences of making mistakes.

These burdens would be borne primarily by Volunteer Income Tax Assistance (VITA) programs, community-based organizations, legal service providers, and other institutions that serve immigrant communities. Organizations that currently help taxpayers file returns may need to devote substantial resources to staff training, eligibility screening, and referrals. Many may be unable to answer taxpayer questions with confidence and instead direct individuals to immigration attorneys or accredited representatives. Navigating these standards will be extremely time consuming for tax filers, legal service organizations, and tax preparers. Given Treasury’s estimate of up to 700,000 affected tax filing households, even small amounts of additional time per return could produce millions of hours of added burden.

At the same time, affordable immigration legal services remain scarce in many communities. Requiring taxpayers to seek immigration advice before claiming refundable tax credits would impose additional costs, create delays, and place further strain on already limited legal services capacity. As a result, some taxpayers may abandon claims altogether because they cannot obtain reliable assistance regarding their eligibility. Others may make mistakes, leading not only to loss of the credit, but also to potential immigration consequences when noncitizens apply for a green card or naturalization.

The proposed rule will increase compliance costs and reduce access to tax assistance

The proposed rule is also likely to increase the cost of claiming refundable tax credits. Taxpayers who are uncertain about their eligibility may seek professional assistance from commercial preparers, immigration attorneys, or other advisors. Others may feel compelled to pay for services they would otherwise not need simply to determine whether they qualify under this new framework. These additional costs would reduce the value of the credits and would disproportionately affect the low-income families that Congress intended the credits to support.

For taxpayers, preparers, and community organizations alike, the proposed rule would replace a relatively straightforward tax law determination with a complicated immigration inquiry that many participants in the tax system are not equipped to make. Treasury substantially understates these burdens and fails to meaningfully account for the costs that taxpayers, service providers, and community organizations will incur if the rule is finalized.

Conclusion

For the foregoing reasons, we urge Treasury and the IRS to withdraw the proposed rule. The proposed rule conflicts with federal law and longstanding interpretation; would harm children

and mixed-status families; and would impose confusing and costly burdens on taxpayers, tax preparers, and community organizations.

Thank you for the opportunity to comment on this important matter.

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