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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to establish the newborn tax credit and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. VALADAO introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish the newborn tax credit and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Supporting Newborn
5 Parents Act of 2026”.

6 **SEC. 2. NEWBORN TAX CREDIT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36B the fol-
2 lowing new section:

3 **“SEC. 36C. NEWBORN TAX CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—There shall be al-
5 lowed as a credit against the tax imposed by this subtitle
6 an amount equal to \$2,000 for each qualifying child of
7 the taxpayer born during the taxable year.

8 “(b) QUALIFYING CHILD.—For purposes of this sec-
9 tion, the term ‘qualifying child’ has the meaning given
10 such term in section 152(c).

11 “(c) PHASEOUT.—The amount determined under
12 subsection (a) shall be reduced by \$50 for every \$1,000
13 by which the modified adjusted gross income (as defined
14 in section 24(b)(1)) of the taxpayer for the applicable tax-
15 able year exceeds the threshold amount (as defined in sec-
16 tion 24(b)(2)).

17 “(d) EARNED INCOME REQUIREMENT.—The amount
18 allowed under subsection (a) with respect to each quali-
19 fying child of the taxpayer shall not exceed the amount
20 that is equal to 20 percent of the earned income (within
21 the meaning of section 32) of the taxpayer for the applica-
22 ble taxable year.

23 “(e) APPLICABLE TAXABLE YEAR.—For purposes of
24 this section, the term ‘applicable taxable year’ means—

1 “(1) the taxable year in which the qualifying
2 child with respect to which the credit is allowed
3 under subsection (a), or

4 “(2) at the election of the taxpayer, the pre-
5 ceding taxable year.

6 “(f) ADVANCE PAYMENT.—

7 “(1) IN GENERAL.—At the election of the tax-
8 payer, the Secretary shall, not later than 6 weeks
9 after receiving the information described in section
10 205(c)(2)(B)(iv) of the Social Security Act relating
11 to a qualifying child of the taxpayer, make a pay-
12 ment to the taxpayer in an amount equal to the
13 amount allowable as a credit to the taxpayer for the
14 taxable year in which such qualifying child is born.

15 “(2) ELECTION TO USE ESTIMATED INCOME.—
16 At the election of a taxpayer who has not made the
17 election described in subsection (e)(2), the amount
18 of the advanced payment under paragraph (1) may
19 be determined—

20 “(A) by inserting ‘taxpayer’s estimate of
21 such taxpayer’s’ after ‘by which the’ in sub-
22 section (c), and

23 “(B) by inserting ‘taxpayer’s estimate of
24 the taxpayer’s’ after ‘20 percent of the’ in sub-
25 section (d).

1 “(3) RECONCILIATION OF CREDIT AND AD-
2 VANCE CREDIT.—If the aggregate payments made to
3 the taxpayer under paragraph (1) during the taxable
4 year exceeds the amount of the credit allowed under
5 this section to such taxpayer for such taxable year,
6 the tax imposed by this chapter for such taxable
7 year shall be increased by the amount of such ex-
8 cess. Any failure to so increase the tax shall be
9 treated as arising out of a mathematical or clerical
10 error and assessed according to section 6213(b)(1).

11 “(g) SPECIAL RULE.—Rules similar to the rules of
12 section 24(h)(7)(A) shall apply to this section.

13 “(h) INFLATION ADJUSTMENT.—

14 “(1) IN GENERAL.—In the case of any taxable
15 year beginning after 2026, the \$2,000 amount in
16 subsection (a) shall be increased by an amount equal
17 to—

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year in which the taxable year begins, deter-
22 mined by substituting ‘calendar year 2025’ for
23 ‘calendar year 2016’ in subparagraph (A)(ii)
24 thereof.

1 “(2) ROUNDING.—If any increase under para-
2 graph (1) is not a multiple of \$100, such increase
3 shall be rounded to the nearest multiple of \$10.”.

4 (b) INFORMATION COLLECTED BY COMMISSIONER OF
5 SOCIAL SECURITY.—Section 205(c)(2)(B) of the Social
6 Security Act (42 U.S.C. 405(c)(2)(B)) is amended by add-
7 ing at the end the following:

8 “(iv) The Commissioner shall, in car-
9 rying out the requirement of subparagraph
10 (B)(i)(IV), require an individual applying
11 for a social security account number on be-
12 half of a child to provide to the Commis-
13 sioner the following information:

14 “(I) The name of the parents.

15 “(II) The social security account
16 numbers of the parents.

17 “(III) An election as to whether
18 the parents want to receive the new-
19 born tax credit determined under sec-
20 tion 36C of the Internal Revenue
21 Code of 1986 through direct deposit
22 or a check in the mail.

23 “(IV) An election as to the elec-
24 tions described in—

1 “(aa) section 36C(e)(2) of
2 such Code,

3 “(bb) section 36C(f)(1) of
4 such Code, and

5 “(cc) 36C(f)(2) of such Code

6 “(V) The address of the parents.

7 “(VI) In the case the parents
8 elect to receive a direct deposit, any
9 information the Commissioner deter-
10 mines necessary to make the direct
11 deposit.

12 “(VII) In the case of parents
13 making an election to use estimated
14 amounts under section 36C(f)(2) of
15 such Code, the amount of the esti-
16 mates described in such section.

17 “(v) The Commissioner shall submit
18 the information received under clause (iv)
19 to the Secretary of the Treasury not later
20 than 45 days after the Commissioner
21 issues a social security account number to
22 the child who is the subject of such infor-
23 mation.”.

24 (c) INFORMATION FOR TAXPAYERS.—The Secretary
25 of the Treasury, acting through the Commissioner of In-

1 ternal Revenue, shall provide to each individual described
2 in section 205(c)(2)(B)(iv) of the Social Security Act (42
3 U.S.C. 405(c)(2)(B)(iv)) plain language guidance—

4 (1) to assist such individual to determine how
5 elections made pursuant to sections 36C(e)(2),
6 36C(f)(1), and 36C(f)(2) of the Internal Revenue
7 Code of 1986 will affect the amount of the credit de-
8 termined for such taxpayer for the taxable year,

9 (2) to assist such individual to determine esti-
10 mated modified adjusted gross income (as defined in
11 section 36C(b)(1) of such Code) and earned income
12 (within the meaning of section 32 of such Code) for
13 the taxable year, and

14 (3) to explain how reconciliation of the ad-
15 vanced credit under section 36C(f)(3) of such Code
16 may affect the taxpayer.

17 (d) ONLINE PORTAL.—The Secretary of the Treas-
18 ury shall establish an online portal—

19 (1) which provides the information described in
20 subsection (c), and

21 (2) through which a taxpayer may make an
22 election under section 36C(f)(1) of such Code (as
23 added by this section).

24 (e) CONFORMING AMENDMENTS.—

1 (1) Section 6211(b)(4)(A) of such Code is
2 amended by inserting “, 36C” after “36B”.

3 (2) Section 1324(b)(2) of title 31, United
4 States Code, is amended by inserting “, 36C” after
5 “, 36B”.

6 (3) The table of sections for subpart C of part
7 IV of subchapter A of chapter 1 of the Internal Rev-
8 enue Code of 1986 is amended by inserting after the
9 item relating to section 36B the following new item:

“Sec. 36C Newborn tax credit.”.

10 (f) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2025.