

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section, sections 30A, 52, 55, 137, 401, 403, 404, 408, 414, 512, 529, 593, 641, 679, 860L, 956, 1361, 1374, 4001, 4041, 4092, 4261, 6039D, 6048, 6050R, 6501, 6693, 7701, and 9503 of this title, section 1055 of Title 29, Labor, and provisions set out as notes under sections 529 and 4091 of this title] shall take effect as if included in the provisions of the Small Business Job Protection Act of 1996 [Pub. L. 104-188] to which they relate.

“(2) CERTAIN ADMINISTRATIVE REQUIREMENTS WITH RESPECT TO CERTAIN PENSION PLANS.—The amendment made by subsection (d)(2)(D) [amending section 401 of this title] shall apply to calendar years beginning after the date of the enactment of this Act [Aug. 5, 1997].”

#### EFFECTIVE DATE

Pub. L. 104-188, title I, §1807(e), Aug. 20, 1996, 110 Stat. 1903, provided that: “The amendments made by this section [enacting this section and section 137 of this title, renumbering former section 137 of this title as section 138, and amending sections 25, 86, 135, 219, 469, and 1016 of this title] shall apply to taxable years beginning after December 31, 1996.”

#### EXPENSES PAID OR INCURRED BEFORE 2002

Pub. L. 107-147, title IV, §411(c)(1)(F), Mar. 9, 2002, 116 Stat. 45, provided that: “Expenses paid or incurred during any taxable year beginning before January 1, 2002, may be taken into account in determining the credit under section 23 of the Internal Revenue Code of 1986 only to the extent the aggregate of such expenses does not exceed the applicable limitation under section 23(b)(1) of such Code as in effect on the day before the date of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 [June 7, 2001].”

#### TAX CREDIT AND GROSS INCOME EXCLUSION STUDY AND REPORT

Pub. L. 104-188, title I, §1807(d), Aug. 20, 1996, 110 Stat. 1903, provided that: “The Secretary of the Treasury shall study the effect on adoptions of the tax credit and gross income exclusion established by the amendments made by this section [enacting this section and section 137 of this title, renumbering former section 137 of this title as section 138, and amending sections 25, 86, 135, 219, 469, and 1016 of this title] and shall submit a report regarding the study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than January 1, 2000.”

### § 24. Child tax credit

#### (a) Allowance of credit

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer for which the taxpayer is allowed a deduction under section 151 an amount equal to \$1,000.

#### (b) Limitations

##### (1) Limitation based on adjusted gross income

The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by \$50 for each \$1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount. For purposes of the preceding sentence, the term “modified adjusted gross income” means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

##### (2) Threshold amount

For purposes of paragraph (1), the term “threshold amount” means—

- (A) \$110,000 in the case of a joint return,
- (B) \$75,000 in the case of an individual who is not married, and
- (C) \$55,000 in the case of a married individual filing a separate return.

For purposes of this paragraph, marital status shall be determined under section 7703.

#### (c) Qualifying child

For purposes of this section—

##### (1) In general

The term “qualifying child” means a qualifying child of the taxpayer (as defined in section 152(c)) who has not attained age 17.

##### (2) Exception for certain noncitizens

The term “qualifying child” shall not include any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows “resident of the United States”.

#### (d) Portion of credit refundable

##### (1) In general

The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

(A) the credit which would be allowed under this section without regard to this subsection and the limitation under section 26(a) or

(B) the amount by which the aggregate amount of credits allowed by this subpart (determined without regard to this subsection) would increase if the limitation imposed by section 26(a) were increased by the greater of—

(i) 15 percent of so much of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds \$3,000, or

(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

(I) the taxpayer's social security taxes for the taxable year, over

(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to section 26(a). For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.

##### (2) Social security taxes

For purposes of paragraph (1)—

##### (A) In general

The term “social security taxes” means, with respect to any taxpayer for any taxable year—

(i) the amount of the taxes imposed by sections 3101 and 3201(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins,

(ii) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer for the taxable year, and

(iii) 50 percent of the taxes imposed by section 3211(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

**(B) Coordination with special refund of social security taxes**

The term “social security taxes” shall not include any taxes to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).

**(C) Special rule**

Any amounts paid pursuant to an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A)(i) shall be treated as taxes referred to in such subparagraph.

**[(3), (4) Repealed. Pub. L. 114–113, div. Q, title I, § 101(b), Dec. 18, 2015, 129 Stat. 3044]**

**(5) Exception for taxpayers excluding foreign earned income**

Paragraph (1) shall not apply to any taxpayer for any taxable year if such taxpayer elects to exclude any amount from gross income under section 911 for such taxable year.

**(e) Identification requirements**

**(1) Qualifying child identification requirement**

No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the name and taxpayer identification number of such qualifying child on the return of tax for the taxable year and such taxpayer identification number was issued on or before the due date for filing such return.

**(2) Taxpayer identification requirement**

No credit shall be allowed under this section if the identifying number of the taxpayer was issued after the due date for filing the return for the taxable year.

**(f) Taxable year must be full taxable year**

Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

**(g) Restrictions on taxpayers who improperly claimed credit in prior year**

**(1) Taxpayers making prior fraudulent or reckless claims**

**(A) In general**

No credit shall be allowed under this section for any taxable year in the disallowance period.

**(B) Disallowance period**

For purposes of subparagraph (A), the disallowance period is—

(i) the period of 10 taxable years after the most recent taxable year for which

there was a final determination that the taxpayer’s claim of credit under this section was due to fraud, and

(ii) the period of 2 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section was due to reckless or intentional disregard of rules and regulations (but not due to fraud).

**(2) Taxpayers making improper prior claims**

In the case of a taxpayer who is denied credit under this section for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

**(h) Special rules for taxable years 2018 through 2025**

**(1) In general**

In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, this section shall be applied as provided in paragraphs (2) through (7).

**(2) Credit amount**

Subsection (a) shall be applied by substituting “\$2,000” for “\$1,000”.

**(3) Limitation**

In lieu of the amount determined under subsection (b)(2), the threshold amount shall be \$400,000 in the case of a joint return (\$200,000 in any other case).

**(4) Partial credit allowed for certain other dependents**

**(A) In general**

The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by \$500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (c).

**(B) Exception for certain noncitizens**

Subparagraph (A) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows “resident of the United States”.

**(C) Certain qualifying children**

In the case of any qualifying child with respect to whom a credit is not allowed under this section by reason of paragraph (7), such child shall be treated as a dependent to whom subparagraph (A) applies.

**(5) Maximum amount of refundable credit**

**(A) In general**

The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed \$1,400, and such subsection shall be applied without regard to paragraph (4) of this subsection.

**(B) Adjustment for inflation**

In the case of a taxable year beginning after 2018, the \$1,400 amount in subparagraph

(A) shall be increased by an amount equal to—

- (i) such dollar amount, multiplied by
- (ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “2017” for “2016” in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.

**(6) Earned income threshold for refundable credit**

Subsection (d)(1)(B)(i) shall be applied by substituting “\$2,500” for “\$3,000”.

**(7) Social security number required**

No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of the preceding sentence, the term “social security number” means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued—

- (A) to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act, and
- (B) before the due date for such return.

(Added Pub. L. 105-34, title I, §101(a), Aug. 5, 1997, 111 Stat. 796; amended Pub. L. 105-206, title VI, §6003(a), July 22, 1998, 112 Stat. 790; Pub. L. 105-277, div. J, title II, §2001(b), Oct. 21, 1998, 112 Stat. 2681-901; Pub. L. 106-170, title V, §501(b)(1), Dec. 17, 1999, 113 Stat. 1919; Pub. L. 107-16, title II, §§201(a)-(b)(2)(C), (c)(1), (2), (d), 202(f)(2)(B), title VI, §618(b)(2)(A), June 7, 2001, 115 Stat. 45-47, 49, 108; Pub. L. 107-90, title II, §204(e)(1), Dec. 21, 2001, 115 Stat. 893; Pub. L. 107-147, title IV, §§411(b), 417(23)(A), Mar. 9, 2002, 116 Stat. 45, 57; Pub. L. 108-27, title I, §101(a), May 28, 2003, 117 Stat. 753; Pub. L. 108-311, title I, §§101(a), 102(a), 104(a), title II, §204, title IV, §408(b)(4), Oct. 4, 2004, 118 Stat. 1167, 1168, 1176, 1192; Pub. L. 109-135, title IV, §402(i)(3)(B), Dec. 21, 2005, 119 Stat. 2613; Pub. L. 110-172, §11(c)(1), Dec. 29, 2007, 121 Stat. 2488; Pub. L. 110-343, div. B, title I, §106(e)(2)(B), title II, §205(d)(1)(A), div. C, title V, §501(a), Oct. 3, 2008, 122 Stat. 3817, 3838, 3876; Pub. L. 110-351, title V, §501(c)(1), Oct. 7, 2008, 122 Stat. 3979; Pub. L. 111-5, div. B, title I, §§1003(a), 1004(b)(1), 1142(b)(1)(A), 1144(b)(1)(A), Feb. 17, 2009, 123 Stat. 313, 314, 330, 332; Pub. L. 111-148, title X, §10909(b)(2)(A), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, §§101(b)(1), 103(b), Dec. 17, 2010, 124 Stat. 3298, 3299; Pub. L. 112-240, title I, §§103(b), 104(c)(2)(B), Jan. 2, 2013, 126 Stat. 2319, 2321; Pub. L. 113-295, div. A, title II, §209(a), Dec. 19, 2014, 128 Stat. 4028; Pub. L. 114-27, title VIII, §807(a), June 29, 2015, 129 Stat. 418; Pub. L. 114-113, div. Q, title I, §101(a), (b), title II, §§205(a), (b), 208(a)(1), Dec. 18, 2015, 129 Stat. 3044, 3081, 3083; Pub. L. 115-97, title I, §11022(a), Dec. 22, 2017, 131 Stat. 2073.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**REFERENCES IN TEXT**

Section 205(c)(2)(B)(i) of the Social Security Act, referred to in subsec. (h)(7)(A), is classified to section 405(c)(2)(B)(i) of Title 42, The Public Health and Welfare.

**PRIOR PROVISIONS**

A prior section 24, added Pub. L. 92-178, title VII, §701(a), Dec. 10, 1971, 85 Stat. 560, §41; amended Pub. L. 93-625, §§11(a)-(c), (e), 12(a), Jan. 3, 1975, 88 Stat. 2119, 2120; Pub. L. 94-455, title V, §503(b)(4), title XIX, §§1901(b)(1)(B), (H)(ii), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1562, 1790, 1791, 1834; Pub. L. 95-600, title I, §113(c), Nov. 6, 1978, 92 Stat. 2778; Pub. L. 97-473, title II, §202(b)(1), Jan. 14, 1983, 96 Stat. 2609; Pub. L. 98-21, title I, §122(c)(1), Apr. 20, 1983, 97 Stat. 87; renumbered §24 and amended Pub. L. 98-369, div. A, title IV, §§471(c), 474(f), July 18, 1984, 98 Stat. 826, 831, related to contributions to candidates for public office, prior to repeal by Pub. L. 99-514, title I, §§112(a), 151(a), Oct. 22, 1986, 100 Stat. 2108, 2121, applicable to taxable years beginning after Dec. 31, 1986.

**AMENDMENTS**

2017—Subsec. (h). Pub. L. 115-97 added subsec. (h).

2015—Subsec. (d)(1)(B)(i). Pub. L. 114-113, §101(a), substituted “\$3,000” for “\$10,000”.

Subsec. (d)(3), (4). Pub. L. 114-113, §101(b), struck out pars. (3) and (4) which related to inflation adjustment and special rule for certain years, respectively.

Subsec. (d)(5). Pub. L. 114-27 added par. (5).

Subsec. (e). Pub. L. 114-113, §205(a), (b), substituted “requirements” for “requirement” in subsec. heading, designated existing provisions as par. (1), inserted par. heading and “and such taxpayer identification number was issued on or before the due date for filing such return” before period at end, and added par. (2).

Subsec. (g). Pub. L. 114-113, §208(a)(1), added subsec. (g).

2014—Subsec. (d)(4). Pub. L. 113-295 amended par. (4) generally. The amendment was effective as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 (Pub. L. 111-5, div. B, title I) to which the amendment related. As amended by Pub. L. 111-5, §1003(a), par. (4) read as follows: “SPECIAL RULE FOR 2009 AND 2010.—Notwithstanding paragraph (3), in the case of any taxable year beginning in 2009 or 2010, the dollar amount in effect for such taxable year under paragraph (1)(B)(i) shall be \$3,000.” See 2009 Amendment and Effective Date of 2014 Amendment notes below.

2013—Subsec. (b)(3). Pub. L. 112-240, §104(c)(2)(B)(i), struck out par. (3). Prior to amendment, text read as follows: “In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under this subpart (other than this section and sections 23, 25A(i), 25B, 25D, 30, 30B, and 30D) and section 27 for the taxable year.”

Subsec. (d)(1). Pub. L. 112-240, §104(c)(2)(B)(ii)(II), substituted “section 26(a)” for “section 26(a)(2) or subsection (b)(3), as the case may be” in concluding provisions.

Subsec. (d)(1)(A), (B). Pub. L. 112-240, §104(c)(2)(B)(ii)(I), substituted “section 26(a)” for “section 26(a)(2) or subsection (b)(3), as the case may be,” in subpar. (A) and in introductory provisions in subpar. (B).

Subsec. (d)(4). Pub. L. 112-240, §103(b), which directed substitution of “for certain years” for “2009, 2010, 2011,

and 2012” in heading and “after 2008 and before 2018” for “in 2009, 2010, 2011, or 2012” in text, could not be executed because of the subsequent general amendment of subsec. (d)(4) by Pub. L. 113-295, which was effective as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 (Pub. L. 111-5, div. B, title I) to which the amendment related. See 2014 Amendment note above and Effective Date of 2014 Amendment note below.

2010—Subsec. (b)(3)(B). Pub. L. 111-148, §10909(b)(2)(A), (c), as amended by Pub. L. 111-312, §101(b)(1), temporarily struck out “23,” before “25A(i).” See Effective and Termination Dates of 2010 Amendment note below.

Subsec. (d)(4). Pub. L. 111-312, §103(b), which directed substitution of “2009, 2010, 2011, and 2012” for “2009 and 2010” in heading and “, 2010, 2011, or 2012” for “or 2010” in text, could not be executed because of the subsequent general amendment of subsec. (d)(4) by Pub. L. 113-295, which was effective as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 (Pub. L. 111-5, div. B, title I) to which the amendment related. See 2014 Amendment note above and Effective Date of 2014 Amendment note below.

2009—Subsec. (b)(3)(B). Pub. L. 111-5, §1144(b)(1)(A), inserted “30B,” after “30.”

Pub. L. 111-5, §1142(b)(1)(A), inserted “30,” after “25D.”

Pub. L. 111-5, §1004(b)(1), inserted “25A(i),” after “23.”

Subsec. (d)(4). Pub. L. 111-5, §1003(a), amended par. (4) generally. Prior to amendment, text read as follows: “Notwithstanding paragraph (3), in the case of any taxable year beginning in 2008, the dollar amount in effect for such taxable year under paragraph (1)(B)(i) shall be \$8,500.” Par. (4) was subsequently generally amended by Pub. L. 113-295, effective as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 (Pub. L. 111-5, div. B, title I) to which the amendment related. See 2014 Amendment note above and Effective Date of 2014 Amendment note below.

2008—Subsec. (a). Pub. L. 110-351 inserted “for which the taxpayer is allowed a deduction under section 151” after “of the taxpayer”.

Subsec. (b)(3)(B). Pub. L. 110-343, §205(d)(1)(A), substituted “25D, and 30D” for “and 25D”.

Pub. L. 110-343, §106(e)(2)(B), substituted “, 25B, and 25D” for “and 25B”.

Subsec. (d)(4). Pub. L. 110-343, §501(a), added par. (4).  
2007—Subsec. (d)(1)(B). Pub. L. 110-172, §11(c)(1)(A), substituted “the greater of” for “the excess (if any) of” in introductory provisions.

Subsec. (d)(1)(B)(ii)(II). Pub. L. 110-172, §11(c)(1)(B), substituted “section 32” for “section”.

2005—Subsec. (b)(3). Pub. L. 109-135, §402(i)(3)(B)(i), substituted “In the case of a taxable year to which section 26(a)(2) does not apply, the credit” for “The credit” in introductory provisions.

Subsec. (d)(1). Pub. L. 109-135, §402(i)(3)(B)(ii), reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

“(A) the credit which would be allowed under this section without regard to this subsection and the limitation under subsection (b)(3), or

“(B) the amount by which the amount of credit allowed by this section (determined without regard to this subsection) would increase if the limitation imposed by subsection (b)(3) were increased by the greater of—

“(i) 15 percent of so much of the taxpayer’s earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds \$10,000, or

“(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

“(I) the taxpayer’s social security taxes for the taxable year, over

“(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to subsection (b)(3). For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.”

2004—Subsec. (a). Pub. L. 108-311, §101(a), reenacted heading without change and amended text generally, substituting provisions relating to \$1,000 per year credit per qualifying child for provisions relating to different credit amounts for calendar years 2003 through 2010 or thereafter.

Subsec. (c)(1). Pub. L. 108-311, §204(a), reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “The term ‘qualifying child’ means any individual if—

“(A) the taxpayer is allowed a deduction under section 151 with respect to such individual for the taxable year,

“(B) such individual has not attained the age of 17 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

“(C) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B).”

Subsec. (c)(2). Pub. L. 108-311, §204(b), substituted “subparagraph (A) of section 152(b)(3)” for “the first sentence of section 152(b)(3)”.

Subsec. (d)(1). Pub. L. 108-311, §104(a), inserted at end of concluding provisions “For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.”

Subsec. (d)(1)(B)(i). Pub. L. 108-311, §102(a), struck out “(10 percent in the case of taxable years beginning before January 1, 2005)” after “15 percent”.

Subsec. (d)(2)(A)(iii). Pub. L. 108-311, §408(b)(4), amended directory language of Pub. L. 107-90. See 2001 Amendment note below.

2003—Subsec. (a)(2). Pub. L. 108-27 amended table by deleting items relating to calendar years 2001 and 2002 and increasing per child amount from \$600 to \$1,000 for calendar years 2003 or 2004.

2002—Subsec. (b)(3)(B). Pub. L. 107-147, §417(23)(A), amended directory language of Pub. L. 107-16, §618(b)(2)(A). See 2001 Amendment note below.

Subsec. (d)(1)(B). Pub. L. 107-147, §411(b), substituted “aggregate amount of credits allowed by this subpart” for “amount of credit allowed by this section” in introductory provisions.

2001—Subsec. (a). Pub. L. 107-16, §201(a), amended heading and text of subsec. (a) generally. Prior to amendment, text read as follows: “There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to \$500 (\$400 in the case of taxable years beginning in 1998).”

Subsec. (b). Pub. L. 107-16, §201(b)(2)(A), amended heading generally, substituting “Limitations” for “Limitation based on adjusted gross income”.

Subsec. (b)(1). Pub. L. 107-16, §201(b)(2)(B), amended heading generally, substituting “Limitation based on adjusted gross income” for “In general”.

Subsec. (b)(3). Pub. L. 107-16, §201(b)(1), added par. (3).  
Subsec. (b)(3)(B). Pub. L. 107-16, §618(b)(2)(A), as amended by Pub. L. 107-147, §417(23)(A), substituted “sections 23 and 25B” for “section 23”.

Pub. L. 107-16, §202(f)(2)(B), substituted “this section and section 23” for “this section”.

Subsec. (d). Pub. L. 107-16, §201(c)(1), amended subsec. heading and heading and text of par. (1) generally. Prior to amendment, text read as follows: “In the case of a taxpayer with three or more qualifying children for any taxable year, the aggregate credits allowed under subpart C shall be increased by the lesser of—

“(A) the credit which would be allowed under this section without regard to this subsection and the limitation under section 26(a); or

“(B) the amount by which the aggregate amount of credits allowed by this subpart (without regard to this subsection) would increase if the limitation imposed by section 26(a) were increased by the excess (if any) of—

“(i) the taxpayer’s Social Security taxes for the taxable year, over

“(ii) the credit allowed under section 32 (determined without regard to subsection (n)) for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to section 26(a).”

Subsec. (d)(1). Pub. L. 107-16, §201(b)(2)(C)(i), substituted “subsection (b)(3)” for “section 26(a)” wherever appearing in subsec. (d), as amended by Pub. L. 107-16, §201(c).

Subsec. (d)(1)(B). Pub. L. 107-16, §201(b)(2)(C)(ii), substituted “amount of credit allowed by this section” for “aggregate amount of credits allowed by this subpart” in subpar. (B) as amended by Pub. L. 107-16, §201(c).

Subsec. (d)(2). Pub. L. 107-16, §201(d), redesignated par. (3) as (2) and struck out heading and text of former par. (2). Text read as follows: “For taxable years beginning after December 31, 2001, the credit determined under this subsection for the taxable year shall be reduced by the excess (if any) of—

“(A) the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year, over

“(B) the amount of the reduction under section 32(h) with respect to such taxpayer for such taxable year.”

Subsec. (d)(2)(A)(iii). Pub. L. 107-90, as amended by Pub. L. 108-311, §408(b)(4), substituted “section 3211(a)” for “section 3211(a)(1)”.

Subsec. (d)(3). Pub. L. 107-16, §201(d)(2), redesignated par. (4) as (3). Former par. (3) redesignated (2).

Subsec. (d)(4). Pub. L. 107-16, §201(c)(2), added par. (4). Former par. (4) redesignated (3).

1999—Subsec. (d)(2). Pub. L. 106-170 substituted “2001” for “1998” in introductory provisions.

1998—Subsec. (d)(1). Pub. L. 105-206, §6003(a)(1)(C), added par. (1) and struck out heading and text of former par. (1). Text read as follows: “In the case of a taxpayer with 3 or more qualifying children for any taxable year, the amount of the credit allowed under this section shall be equal to the greater of—

“(A) the amount of the credit allowed under this section (without regard to this subsection and after application of the limitation under section 26), or

“(B) the alternative credit amount determined under paragraph (2).”

Subsec. (d)(2). Pub. L. 105-277 substituted “For taxable years beginning after December 31, 1998, the credit” for “The credit”.

Pub. L. 105-206, §6003(a)(1)(C), added par. (2) and struck out heading and text of former par. (2). Text read as follows: “For purposes of this subsection, the alternative credit amount is the amount of the credit which would be allowed under this section if the limitation under paragraph (3) were applied in lieu of the limitation under section 26.”

Subsec. (d)(3). Pub. L. 105-206, §6003(a)(1)(A), (B), (2), redesignated par. (5) as (3), substituted “paragraph (1)” for “paragraph (3)” in introductory provisions, and struck out heading and text of former par. (3). Text read as follows: “The limitation under this paragraph for any taxable year is the limitation under section 26 (without regard to this subsection)—

“(A) increased by the taxpayer’s social security taxes for such taxable year, and

“(B) reduced by the sum of—

“(i) the credits allowed under this part other than under subpart C or this section, and

“(ii) the credit allowed under section 32 without regard to subsection (m) thereof.”

Subsec. (d)(4). Pub. L. 105-206, §6003(a)(1)(A), struck out heading and text of par. (4). Text read as follows:

“If the amount of the credit under paragraph (1)(B) exceeds the amount of the credit under paragraph (1)(A), such excess shall be treated as a credit to which subpart C applies. The rule of section 32(h) shall apply to such excess.”

Subsec. (d)(5). Pub. L. 105-206, §6003(a)(1)(B), redesignated par. (5) as (3).

#### EFFECTIVE DATE OF 2017 AMENDMENT

Pub. L. 115-97, title I, §11022(b), Dec. 22, 2017, 131 Stat. 2074, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2017.”

#### EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §101(c), Dec. 18, 2015, 129 Stat. 3044, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after the date of the enactment of this Act [Dec. 18, 2015].”

Pub. L. 114-113, div. Q, title II, §205(c), Dec. 18, 2015, 129 Stat. 3081, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section] shall apply to any return of tax, and any amendment or supplement to any return of tax, which is filed after the date of the enactment of this Act [Dec. 18, 2015].

“(2) EXCEPTION FOR TIMELY-FILED 2015 RETURNS.—The amendments made by this section shall not apply to any return of tax (other than an amendment or supplement to any return of tax) for any taxable year which includes the date of the enactment of this Act if such return is filed on or before the due date for such return of tax.”

Pub. L. 114-113, div. Q, title II, §208(c), Dec. 18, 2015, 129 Stat. 3084, provided that: “The amendments made by this section [amending this section and sections 25A and 6213 of this title] shall apply to taxable years beginning after December 31, 2015.”

Pub. L. 114-27, title VIII, §807(b), June 29, 2015, 129 Stat. 418, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2014.”

#### EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title II, §209(k), Dec. 19, 2014, 128 Stat. 4031, provided that: “The amendments made by this section [amending this section, sections 25A, 30, 30D, 35, 38, 45Q, 48, 48C, 164, 853A, and 1016 of this title, and provisions set out as notes under sections 6428 and 6432 of this title] shall take effect as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 [Pub. L. 111-5, div. B, title I] to which they relate.”

#### EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title I, §103(e), Jan. 2, 2013, 126 Stat. 2320, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and sections 25A, 32, and 6409 of this title and amending provisions set out as a note under section 25A of this title] shall apply to taxable years beginning after December 31, 2012.

“(2) RULE REGARDING DISREGARD OF REFUNDS.—The amendment made by subsection (d) [amending section 6409 of this title] shall apply to amounts received after December 31, 2012.”

Amendment by section 104(c)(2)(B) of Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of Pub. L. 112-240, set out as a note under section 23 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Pub. L. 111-312, title I, §103(d), Dec. 17, 2010, 124 Stat. 3299, provided that: “The amendments made by this section [amending this section and sections 25A and 32 of this title and amending provisions set out as a note

under section 25A of this title] shall apply to taxable years beginning after December 31, 2010.”

Amendment by Pub. L. 111-148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111-148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111-148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111-148, set out as a note under section 1 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1003(b), Feb. 17, 2009, 123 Stat. 313, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008.”

Pub. L. 111-5, div. B, title I, §1004(d), Feb. 17, 2009, 123 Stat. 315, provided that: “The amendments made by this section [amending this section, sections 25 to 25B, 26, 904, 1400C, and 6211 of this title, and section 1324 of Title 31, Money and Finance] shall apply to taxable years beginning after December 31, 2008.”

Pub. L. 111-5, div. B, title I, §1004(e), Feb. 17, 2009, 123 Stat. 315, provided that: “The amendment made by subsection (b)(1) [amending this section] shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16, §901, which was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315, was formerly set out as an Effective and Termination Dates of 2001 Amendment note under section 1 of this title] in the same manner as the provision of such Act to which such amendment relates.”

Pub. L. 111-5, div. B, title I, §1142(c), Feb. 17, 2009, 123 Stat. 331, provided that: “The amendments made by this section [amending this section and sections 25, 25B, 26, 30, 30B, 30C, 53, 55, 904, 1016, 1400C, and 6501 of this title] shall apply to vehicles acquired after the date of the enactment of this Act [Feb. 17, 2009].”

Pub. L. 111-5, div. B, title I, §1142(e), Feb. 17, 2009, 123 Stat. 331, provided that: “The amendment made by subsection (b)(1)(A) [amending this section] shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16, §901, which was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315, was formerly set out as an Effective and Termination Dates of 2001 Amendment note under section 1 of this title] in the same manner as the provision of such Act to which such amendment relates.”

Pub. L. 111-5, div. B, title I, §1144(c), Feb. 17, 2009, 123 Stat. 333, provided that: “The amendments made by this section [amending this section and sections 25, 25B, 26, 30B, 30C, 55, 904, and 1400C of this title] shall apply to taxable years beginning after December 31, 2008.”

Pub. L. 111-5, div. B, title I, §1144(d), Feb. 17, 2009, 123 Stat. 333, provided that: “The amendment made by subsection (b)(1)(A) [amending this section] shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16, §901, which was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315, was formerly set out as an Effective and Termination Dates of 2001 Amendment note under section 1 of this title] in the same manner as the provision of such Act to which such amendment relates.”

#### EFFECTIVE AND TERMINATION DATES OF 2008 AMENDMENT

Pub. L. 110-351, title V, §501(d), Oct. 7, 2008, 122 Stat. 3980, provided that: “The amendments made by this section [amending this section and section 152 of this title] shall apply to taxable years beginning after December 31, 2008.”

Amendment by section 106(e)(2)(B) of title I of div. B of Pub. L. 110-343 applicable to taxable years beginning after Dec. 31, 2007, and subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of

2001, Pub. L. 107-16, §901, in the same manner as the provisions of such Act to which such amendment relates, see section 106(f)(1), (3) of Pub. L. 110-343, set out as a note under section 23 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

Pub. L. 110-343, div. B, title II, §205(e), (f), Oct. 3, 2008, 122 Stat. 3839, provided that:

“(e) EFFECTIVE DATE.—The amendments made by this section [enacting section 30D of this title and amending this section and sections 25, 25B, 26, 30B, 38, 1016, 1400C, and 6501 of this title] shall apply to taxable years beginning after December 31, 2008.

“(f) APPLICATION OF EGTRRA SUNSET.—The amendment made by subsection (d)(1)(A) [amending this section] shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16, §901, which was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315, was formerly set out as an Effective and Termination Dates of 2001 Amendment note under section 1 of this title] in the same manner as the provision of such Act to which such amendment relates.”

Pub. L. 110-343, div. C, title V, §501(b), Oct. 3, 2008, 122 Stat. 3876, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2007.”

#### EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-172, §11(c)(2), Dec. 29, 2007, 121 Stat. 2489, provided that: “The amendments made by this subsection [amending this section] shall take effect as if included in the provisions of the Gulf Opportunity Zone Act of 2005 [Pub. L. 109-135] to which they relate.”

#### EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENT

Amendment by Pub. L. 109-135 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, in the same manner as the provisions of such Act to which such amendment relates, see section 402(i)(3)(H) of Pub. L. 109-135, set out as a note under section 23 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

Amendment by Pub. L. 109-135 effective as if included in the provisions of the Energy Policy Act of 2005, Pub. L. 109-58, to which it relates and applicable to taxable years beginning after Dec. 31, 2005, see section 402(m) of Pub. L. 109-135, set out as a note under section 23 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 2004 AMENDMENT

Amendment by section 101(a) of Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2003, see section 101(e) of Pub. L. 108-311, set out as a note under section 1 of this title.

Pub. L. 108-311, title I, §102(b), Oct. 4, 2004, 118 Stat. 1168, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2003.”

Pub. L. 108-311, title I, §104(c)(1), Oct. 4, 2004, 118 Stat. 1169, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 2003.”

Amendment by title I of Pub. L. 108-311 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, to the same extent and in the same manner as the provisions of such Act to which such amendments relate, see section 105 of Pub. L. 108-311, set out as a note under section 1 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

Amendment by section 204 of Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

EFFECTIVE AND TERMINATION DATES OF 2003  
AMENDMENT

Pub. L. 108-27, title I, §101(c), May 28, 2003, 117 Stat. 754, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [enacting section 6429 of this title and amending this section] shall apply to taxable years beginning after December 31, 2002.

“(2) SUBSECTION (b).—The amendments made by subsection (b) [enacting section 6429 of this title] shall take effect on the date of the enactment of this Act [May 28, 2003].”

Amendments by title I of Pub. L. 108-27 subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, §901, to the same extent and in the same manner as the provisions of such Act to which such amendments relate, see section 107 of Pub. L. 108-27, set out as a note under section 1 of this title. Title IX of Pub. L. 107-16 was repealed by Pub. L. 112-240, title I, §101(a)(1), Jan. 2, 2013, 126 Stat. 2315.

## EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by section 411(b) of Pub. L. 107-147 effective as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, to which such amendment relates, see section 411(x) of Pub. L. 107-147, set out as a note under section 25B of this title.

## EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by sections 201(b), 202(f), and 618(b) of Pub. L. 107-16 inapplicable to taxable years beginning during 2004 or 2005, see section 312(b)(2) of Pub. L. 108-311, set out as a note under section 23 of this title.

Amendment by sections 201(b), 202(f), and 618(b) of Pub. L. 107-16 inapplicable to taxable years beginning during 2002 and 2003, see section 601(b)(2) of Pub. L. 107-147, set out as a note under section 23 of this title.

Pub. L. 107-90, title II, §204(f), Dec. 21, 2001, 115 Stat. 893, provided that: “The amendments made by this section [enacting subchapter E of chapter 22 of this title and amending this section and sections 72, 3201, 3211, 3221, and 3231 of this title] shall apply to calendar years beginning after December 31, 2001.”

Pub. L. 107-16, title II, §201(e), June 7, 2001, 115 Stat. 47, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and sections 23, 25, 26, 32, 904, and 1400C of this title] shall apply to taxable years beginning after December 31, 2000.

“(2) SUBSECTION (b).—The amendments made by subsection (b) [amending this section and sections 23, 25, 26, 904, and 1400C of this title] shall apply to taxable years beginning after December 31, 2001.”

Amendment by section 202(f)(2)(B) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2001, see section 202(g)(1) of Pub. L. 107-16, set out as a note under section 23 of this title.

Pub. L. 107-16, title VI, §618(d), June 7, 2001, 115 Stat. 108, provided that: “The amendments made by this section [enacting section 25B of this title and amending this section and sections 25, 25B, 26, 904, and 1400C of this title] shall apply to taxable years beginning after December 31, 2001.”

## EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-170, title V, §501(c), Dec. 17, 1999, 113 Stat. 1919, provided that: “The amendments made by this section [amending this section and sections 26 and 904 of this title] shall apply to taxable years beginning after December 31, 1998.”

## EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-277, div. J, title II, §2001(c), Oct. 21, 1998, 112 Stat. 2681-901, provided that: “The amendments made by this section [amending this section and sec-

tion 26 of this title] shall apply to taxable years beginning after December 31, 1997.”

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

## EFFECTIVE DATE

Pub. L. 105-34, title I, §101(e), Aug. 5, 1997, 111 Stat. 799, provided that: “The amendments made by this section [enacting this section and amending sections 32, 501, and 6213 of this title and section 1324 of Title 31, Money and Finance] shall apply to taxable years beginning after December 31, 1997.”

REFUNDS DISREGARDED IN ADMINISTRATION OF  
FEDERAL AND FEDERALLY ASSISTED PROGRAMS

Pub. L. 107-16, title II, §203, June 7, 2001, 115 Stat. 49, provided that: “Any payment considered to have been made to any individual by reason of section 24 of the Internal Revenue Code of 1986, as amended by section 201, shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following month, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.”

**§ 25. Interest on certain home mortgages****(a) Allowance of credit****(1) In general**

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the product of—

(A) the certificate credit rate, and

(B) the interest paid or accrued by the taxpayer during the taxable year on the remaining principal of the certified indebtedness amount.

**(2) Limitation where credit rate exceeds 20 percent****(A) In general**

If the certificate credit rate exceeds 20 percent, the amount of the credit allowed to the taxpayer under paragraph (1) for any taxable year shall not exceed \$2,000.

**(B) Special rule where 2 or more persons hold interests in residence**

If 2 or more persons hold interests in any residence, the limitation of subparagraph (A) shall be allocated among such persons in proportion to their respective interests in the residence.

**(b) Certificate credit rate; certified indebtedness amount**

For purposes of this section—

**(1) Certificate credit rate**

The term “certificate credit rate” means the rate of the credit allowable by this section which is specified in the mortgage credit certificate.

**(2) Certified indebtedness amount**

The term “certified indebtedness amount” means the amount of indebtedness which is—

(A) incurred by the taxpayer—

(i) to acquire the principal residence of the taxpayer,