

The Child Tax Credit and Individual Taxpayer Identification Numbers (ITINs)

December 16, 2021

With consideration of the Build Back Better Act (BBBA; H.R. 5376), congressional interest has focused on whether children who do *not* have Social Security numbers (SSNs) should be eligible for the child tax credit. In 2021, the credit has been temporarily expanded and is a [near-universal benefit](#) for all but the highest-income families with children who file a federal income tax return.

Under current law, from 2018 through 2025, taxpayers who do not provide the SSN of an otherwise-eligible child cannot receive a child credit for that child—including the expanded credit for 2021. Hence, taxpayers cannot receive the child credit for children who have individual taxpayer identification numbers (ITINs). The [House-passed BBBA](#) and the [updated Senate Finance Committee text](#) released December 11, 2021, would strike this temporary SSN requirement and allow taxpayers to claim the credit for otherwise eligible children with any taxpayer identification (ID) number, including ITINs, beginning in 2022.

This Insight provides an overview of ITINs and the legislative history of the child tax credit's ID requirement.

Individual Taxpayer Identification Numbers

Individuals must provide a unique identifying number when they file tax returns with the Internal Revenue Service (IRS). The [general rule](#) is that an individual's taxpayer ID number is their SSN. SSNs are issued by the Social Security Administration (SSA) to U.S. citizens and certain groups of noncitizens—specifically, lawful permanent residents (green card holders), [asylees](#), [refugees](#), and other noncitizens who are authorized to work in the United States. These SSNs are sometimes referred to as “work-authorized SSNs.” SSA also issues SSNs to a [small share](#) of noncitizens without work authorization who need an SSN to receive certain public benefits.

Taxpayers who are ineligible for SSNs are required to use [ITINs](#) when filing their tax returns with the IRS. ITINs are issued by the IRS solely to enable noncitizens who do not have, and are ineligible for, SSNs to comply with federal tax law.

ITIN use is often equated with immigration status, but use of an [ITIN does not necessarily mean an individual is unlawfully present](#). Past research has indicated that the IRS and the Treasury Inspector

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General for Tax Administration (TIGTA) believe, however, that [a large proportion of ITIN filers are unlawfully present noncitizens](#) working in the United States.

Legislative History

The child tax credit was enacted in 1997 by the Taxpayer Relief Act (P.L. 105-34) and first went into effect in 1998. Since enactment, taxpayers have been required to provide a taxpayer ID number for each child for whom the credit is claimed and for themselves. At the time of enactment, the law did not specify the type of taxpayer ID number that must be used during filing, thus allowing ITINs, SSNs, and adoption taxpayer identification numbers (ATINs). ([ATINs](#) are temporarily assigned to children who are placed with prospective adoptive parents.)

In 2009, the child tax credit was expanded to more low-income working families as part of the [American Recovery and Reinvestment Act of 2009](#) (P.L. 111-5). A [2011 TIGTA report](#) subsequently found that the amount of the credit claimed by low-income working families with ITINs increased from \$2.1 billion for returns processed in 2008 to \$4.2 billion for returns processed in 2010. (About \$1 billion of that amount was due to a small share of ITIN filers claiming the credit for multiple years.) While [some suggested](#) that a [1996 federal law](#) might prohibit unlawfully present individuals from receiving the credit, the child tax credit statute did not, during those years, expressly require any specific type of taxpayer ID number and the IRS thus allowed individuals using ITINs to claim the credit.

Subsequently, [various bills were introduced](#) in the 112th through 114th Congresses to restrict taxpayers with ITINs from claiming the credit, although [none were enacted](#). Some of these bills also included an [SSN requirement for the child](#).

In 2015, P.L. 114-113 required that the taxpayer ID number—for both the qualifying child and the taxpayer—had to be issued *on or before the due date of the return*. This provision prevents taxpayers who receive a taxpayer ID number from amending older returns to receive the child credit in prior years.

In 2017, P.L. 115-97 temporarily required that, from 2018 through 2025, the taxpayer ID number for the child be a work-authorized SSN. Hence, taxpayers who provide an ITIN or ATIN for their child cannot receive the credit from 2018 to 2025. (The law did not change the ID requirement for the taxpayer.)

In 2021, the American Rescue Plan Act of 2021 (ARPA; [P.L. 117-2](#)) [expanded the child tax credit](#) for one year, 2021, but did not change the SSN requirement established by P.L. 115-97.

BBBA proposes striking the temporary SSN requirement beginning in 2022. Since the SSN requirement under current law is only in effect through 2025, this provision would effectively eliminate the SSN requirement from 2022 to 2025.

Data on Children with ITINs

Most data on ITIN filers focuses on adult taxpayers. Less information is available on the number, characteristics, and immigration status of children with ITINs. Pew estimated in 2016 that there were approximately [675,000 immigrant children](#) who would generally not be expected to be eligible for an SSN. Nonetheless, it is unclear what share of noncitizen children presently in the United States actually have ITINs. Further, it is unclear the number of children with ITINs who would otherwise be eligible for the child tax credit. For example, in addition to any ID requirements, qualifying noncitizen children must be residents of the United States. Additionally, the taxpayer claiming the child is only eligible for the [fully refundable](#) child credit in 2021 (and the proposed extension in 2022 under BBBA) if they have [lived in the United States](#) for at least half the year.

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