



THE FAMILY SECURITY ACT

A NEW NATIONAL COMMITMENT TO WORKING AMERICAN FAMILIES

With the *Tax Cuts and Jobs Act of 2017* set to expire at the end of next year, the Child Tax Credit (CTC) will be cut in half to \$1,000. As Congress considers the CTC among dozens of other expiring provisions, there is an opportunity to generously support families from pregnancy to childhood, eliminate marriage penalties, and encourage work—all without adding to the deficit. The *Family Security Act*, as introduced, would not take effect until 2026 and should be considered as one component of the larger tax negotiations.

For the last 40 years, the average desired family size has remained stable. Yet, the modern economy seems to discount the merits of raising children, and federal family policy remains scattered across the tax code and dozens of different programs. The *Family Security Act* creates a new national commitment to working American families by modernizing and simplifying antiquated federal policies into an updated CTC that families can receive in predictable monthly installments—starting mid-pregnancy to help expectant parents tackle expenses that start before a baby is born.

- AT A GLANCE:**
- Supports families from pregnancy through childhood;
 - Encourages work;
 - Promotes marriage;
 - Provides equal treatment for both working and stay-at-home parents;
 - Reforms and consolidates antiquated federal programs, making the costs of the proposal fully offset; and
 - Creates a baby bonus that can be used to support paid time off after birth.

— HOW IT WORKS —

- Increases the CTC amount to \$4,200 for families with a child between ages 0-5 and \$3,000 for families with a child between ages 6-17.
- Families may claim the credit for up to six children annually, and can choose to receive the credit in advanced monthly payments.
- Establishes a \$2,800 tax credit for pregnant mothers, which families can also receive in advanced monthly payments starting at 20 weeks
- A family must have earned at least \$20,000 to receive the full CTC amount, or at least \$10,000 for the full credit during pregnancy. The earnings thresholds will be annually indexed to inflation. Families earning less than the earnings thresholds will receive an amount proportional to their earnings.
- A parent, and each claimed child for the CTC, must have an SSN.
- The credits are reduced by \$50 for every \$1,000 above the income phaseout thresholds of \$200,000 for single-filers and \$400,000 for joint-filers. Any overpayments or underpayments would be reconciled through the IRS after filing year-end taxes.
- Simplifies the Earned Income Tax Credit (EITC) by consolidating the family portion of the EITC to not vary based on the number of dependents, but separately maintains the adult dependent component of the EITC to ensure no family earns less than the EITC in its current form.

HOW IT'S PAID FOR:

PROGRAM CHANGES	AVG. ANNUAL BUDGETARY EFFECT
Child Tax Credit (CTC) Expansion	- \$174 B.
Earned Income Tax Credit (EITC) Consolidation	\$14.4 B.
Eliminate Child & Dependent Care Credit	\$4.9 B.
Repeal Dependent Portion of Personal Exemption	\$70.4 B.
Repeal Head of Household Filing Status	\$24 B.
Cap SALT Deduction at \$30,000	\$63.6 B.
TOTAL	\$2.6 BILLION

SOURCE: THE BUDGET LAB AT YALE

ENDORSED BY:

SBA List, National Right to Life, American Principles Project, Americans United for Life, March for Life, Concerned Women for America, CatholicVote, Lutheran Center for Religious Liberty, Democrats for Life, and Feminists for Life of America.