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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to expand, and make permanent
certain modifications of, the earned income credit.

IN THE HOUSE OF REPRESENTATIVES

Mr. EVANS of Pennsylvania introduced the following bill; which was referred
to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to expand,
and make permanent certain modifications of, the earned
income credit.

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 “Tax Cut for Workers
5 Act of 2025”.

1 **SEC. 2. PERMANENT EXTENSION OF EARNED INCOME**
2 **CREDIT RULES FOR INDIVIDUALS WITHOUT**
3 **QUALIFYING CHILDREN.**

4 (a) DECREASE IN MINIMUM AGE FOR CREDIT.—

5 (1) IN GENERAL.—Subclause (II) of section
6 32(c)(1)(A)(ii) of the Internal Revenue Code of
7 1986 is amended by striking “age 25” and inserting
8 “the applicable minimum age”.

9 (2) APPLICABLE MINIMUM AGE.—Paragraph
10 (1) of section 32(c) of such Code is amended by add-
11 ing at the end the following new subparagraph:

12 “(F) APPLICABLE MINIMUM AGE.—For
13 purposes of this paragraph—

14 “(i) IN GENERAL.—The term ‘applica-
15 ble minimum age’ means—

16 “(I) except as otherwise provided
17 in this clause, age 19,

18 “(II) in the case of a student (as
19 defined in section 152(f)(2)), other
20 than a qualified former foster youth
21 or a qualified homeless youth, age 24,
22 and

23 “(III) in the case of a qualified
24 former foster youth or a qualified
25 homeless youth, age 18.

1 “(ii) QUALIFIED FORMER FOSTER
2 YOUTH.—For purposes of this subpara-
3 graph, the term ‘qualified former foster
4 youth’ means an individual who—

5 “(I) on or after the date that
6 such individual attained age 14, was
7 in foster care provided under the su-
8 pervision or administration of an enti-
9 ty administering (or eligible to admin-
10 ister) a plan under part B or part E
11 of title IV of the Social Security Act
12 (without regard to whether Federal
13 assistance was provided with respect
14 to such child under such part E), and

15 “(II) provides (in such manner
16 as the Secretary may provide) consent
17 for entities which administer a plan
18 under part B or part E of title IV of
19 the Social Security Act to disclose to
20 the Secretary information related to
21 the status of such individual as a
22 qualified former foster youth.

23 “(iii) QUALIFIED HOMELESS
24 YOUTH.—For purposes of this subpara-
25 graph, the term ‘qualified homeless youth’

1 means, with respect to any taxable year,
2 an individual who certifies, in a manner as
3 provided by the Secretary, that such indi-
4 vidual is either an unaccompanied youth
5 who is a homeless child or youth, or is un-
6 accompanied, at risk of homelessness, and
7 self-supporting.”.

8 (b) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—
9 Subclause (II) of section 32(c)(1)(A)(ii) of the Internal
10 Revenue Code of 1986 is amended by striking “but not
11 attained age 65”.

12 (c) INCREASE IN CREDIT AND PHASEOUT PERCENT-
13 AGES.—The table contained in paragraph (1) of section
14 32(b) of the Internal Revenue Code of 1986 is amended
15 by striking “7.65” each place it appears and inserting
16 “15.3”.

17 (d) INCREASE IN EARNED INCOME AND PHASEOUT
18 AMOUNTS.—The table contained in subparagraph (A) of
19 section 32(b)(2) of the Internal Revenue Code of 1986 is
20 amended—

21 (1) by striking “\$4,220” and inserting
22 “\$9,820”, and

23 (2) by striking “\$5,280” and inserting
24 “\$11,610”.

25 (e) INFLATION ADJUSTMENTS.—

1 (1) IN GENERAL.—Paragraph (1) of section
2 32(j) of the Internal Revenue Code of 1986 is
3 amended to read as follows:

4 “(1) IN GENERAL.—In the case of any taxable
5 year beginning after—

6 “(A) 2021, in the case of the dollar
7 amount in subsection (i)(1),

8 “(B) 2026, in the case of the dollar
9 amounts in the third row of the table in sub-
10 section (b)(2)(A), and

11 “(C) 2015, in any other case,
12 each of the dollar amounts in subsections (b)(2) and
13 (i)(1) shall be increased by an amount equal to the
14 inflation amount.”.

15 (2) INFLATION AMOUNT.—Subsection (j) of sec-
16 tion 32 of such Code is amended by adding at the
17 end the following new paragraph:

18 “(3) INFLATION AMOUNT.—For purposes of
19 paragraph (1), the inflation amount with respect to
20 any dollar amount for any taxable year is the
21 amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the percentage (if any) by which—

24 “(i) the CPI (as defined in section
25 1(f)(4)) for the calendar year preceding

1 the year in which the taxable year begins,
2 exceeds

3 “(ii) the CPI (as so defined) for—

4 “(I) in the case of amounts in
5 the third row of the table in sub-
6 section (b)(2)(A), 2025,

7 “(II) in the case of any other
8 amount in subsection (b)(2)(A), 1995,

9 “(III) in the case of the \$5,000
10 amount in subsection (b)(2)(B), 2008,
11 and

12 “(IV) in the case of the \$10,000
13 amount in subsection (i)(1), 2020.”.

14 (f) CONFORMING AMENDMENT.—Section 32 of the
15 Internal Revenue Code of 1986 is amended by striking
16 subsection (n).

17 (g) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2025.

20 **SEC. 3. APPLICATION OF EARNED INCOME CREDIT TO POS-**
21 **SESSIONS OF THE UNITED STATES.**

22 (a) PUERTO RICO.—Subparagraph (B) of section
23 7530(a)(1) of the Internal Revenue Code of 1986 is
24 amended by striking “in the case of calendar years 2021
25 through 2025,”.

1 (b) POSSESSIONS WITH MIRROR CODE TAX SYS-
2 TEMS.—Subparagraph (B) of section 7530(b)(1) of the
3 Internal Revenue Code of 1986 is amended by striking “in
4 the case of calendar years 2021 through 2025,”.

5 (c) AMERICAN SAMOA.—Subparagraph (B) of section
6 7530(c)(1) of the Internal Revenue Code of 1986 is
7 amended by striking “in the case of calendar years 2021
8 through 2025,”.

9 **SEC. 4. ELECTION TO USE PRIOR YEAR EARNED INCOME.**

10 (a) IN GENERAL.—Paragraph (2) of section 32(c) of
11 the Internal Revenue Code of 1986 is amended by adding
12 at the end the following new subparagraph:

13 “(C) ELECTION TO USE PRIOR YEAR
14 EARNED INCOME.—

15 “(i) IN GENERAL.—If the earned in-
16 come of the taxpayer for any taxable year
17 is less than the earned income of the tax-
18 payer for the preceding taxable year, the
19 credit allowed under subsection (a) may, at
20 the election of the taxpayer, be determined
21 by substituting—

22 “(I) such earned income for such
23 preceding taxable year, for

1 “(II) such earned income for the
2 taxable year for which such credit is
3 being determined.

4 “(ii) APPLICATION TO JOINT RE-
5 TURNS.—For purposes of clause (i), in the
6 case of a joint return, the earned income
7 of the taxpayer for the preceding taxable
8 year shall be the sum of the earned income
9 of each spouse for such taxable year.

10 “(iii) SPECIAL RULES.—

11 “(I) ERRORS TREATED AS MATH-
12 EMATICAL ERRORS.—For purposes of
13 section 6213, an incorrect use on a re-
14 turn of earned income pursuant to
15 clause (i) shall be treated as a mathe-
16 matical or clerical error.

17 “(II) NO EFFECT ON DETER-
18 MINATION OF GROSS INCOME, ETC.—
19 Except as otherwise provided in this
20 subparagraph, this title shall be ap-
21 plied without regard to any substi-
22 tution under clause (i).”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall apply to taxable years beginning after
25 December 31, 2025.