

114TH CONGRESS
1ST SESSION

S. 686

To amend the Internal Revenue Code of 1986 to provide a limitation on certain aliens from claiming the earned income tax credit.

IN THE SENATE OF THE UNITED STATES

MARCH 10, 2015

Mr. GRASSLEY (for himself, Mr. ENZI, Mr. CRAPO, Mr. INHOFE, Mr. PERDUE, Mr. SCOTT, Mr. ROBERTS, Mr. ISAKSON, Mr. RISCH, Mr. BOOZMAN, Mr. CORNYN, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a limitation on certain aliens from claiming the earned income tax 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. LIMITATION ON CERTAIN ALIENS CLAIMING**
4 **EARNED INCOME TAX CREDIT.**

5 (a) IN GENERAL.—Paragraph (1) of section 32(c) of
6 the Internal Revenue Code of 1986 is amended by adding
7 at the end the following new subparagraph:

8 “(G) PROHIBITION ON RETROACTIVE
9 CREDIT FOR CERTAIN IMMIGRANTS.—

1 “(i) IN GENERAL.—In the case of any
 2 alien described in clause (iii), no credit
 3 shall be allowed under this section for the
 4 taxable year in which such alien was grant-
 5 ed deferred action described in such clause
 6 or for any taxable year prior to such year
 7 unless such alien—

8 “(I) was an eligible individual for
 9 the taxable year, and

10 “(II) was authorized to engage in
 11 employment in the United States for
 12 the entire taxable year.

13 “(ii) MARRIED INDIVIDUALS.—In the
 14 case of an eligible individual who is mar-
 15 ried (within the meaning of section 7703)
 16 to an alien described in clause (iii), no
 17 credit shall be allowed under this section
 18 for any taxable year—

19 “(I) in which such alien was mar-
 20 ried (within the meaning of section
 21 7703) to the eligible individual, and

22 “(II) which includes or was prior
 23 to the date on which such alien was
 24 granted deferred action described in
 25 such clause,

1 unless such alien was authorized to engage
2 in employment in the United States for the
3 entire taxable year.

4 “(iii) ALIEN DESCRIBED.—An alien is
5 described in this clause if such alien is
6 granted deferred action pursuant to the
7 memorandum from the Secretary of Home-
8 land Security entitled ‘Exercising Prosecu-
9 torial Discretion with Respect to Individ-
10 uals Who Came to the United States as
11 Children and with Respect to Certain Indi-
12 viduals Who Are the Parents of U.S. Citi-
13 zens or Permanent Residents’ dated No-
14 vember 20, 2014 (or any substantially
15 similar policy changes issued or taken on
16 or after the date of the enactment of this
17 clause, whether set forth in memorandum,
18 Executive order, regulation, directive, or by
19 other action).”.

20 (b) QUALIFYING CHILDREN.—Subparagraph (D) of
21 section 32(c)(3) of the Internal Revenue Code of 1986 is
22 amended by redesignating clause (ii) as clause (iii) and
23 by inserting after clause (i) the following new clause:

24 “(ii) PRIOR YEARS.—In the case of an
25 alien described in paragraph (1)(G)(iii),

1 such alien shall not be taken into account
2 as a qualifying child under subsection (b)
3 for any taxable year in which such alien
4 was granted deferred action described in
5 such paragraph, or for any taxable year
6 prior to such year, unless such alien was
7 authorized to engage in employment in the
8 United States for the taxable year.”.

9 (c) INFORMATION SHARING.—

10 (1) COMMISSIONER OF SOCIAL SECURITY.—

11 (A) IN GENERAL.—The Commissioner of
12 Social Security (referred to in this subsection as
13 the “Commissioner”) shall provide to the Sec-
14 retary of Treasury (or the Secretary’s delegate)
15 the information described in subparagraph (B)
16 with respect to any alien who—

17 (i) is granted deferred action pursuant
18 to the memorandum from the Secretary of
19 Homeland Security entitled “Exercising
20 Prosecutorial Discretion with Respect to
21 Individuals Who Came to the United
22 States as Children and with Respect to
23 Certain Individuals Who Are the Parents
24 of U.S. Citizens or Permanent Residents”
25 dated November 20, 2014 (or any substan-

1 tially similar policy changes issued or
 2 taken on or after the date of the enact-
 3 ment of this clause, whether set forth in
 4 memorandum, Executive order, regulation,
 5 directive, or by other action); and

6 (ii) has been assigned a social security
 7 account number by the Commissioner.

8 (B) INFORMATION PROVIDED.—The infor-
 9 mation described in this subparagraph is—

10 (i) the name and social security ac-
 11 count number of any individual described
 12 in subparagraph (A);

13 (ii) the date such social security ac-
 14 count number was issued by the Commis-
 15 sioner; and

16 (iii) such other information as deter-
 17 mined by the Commissioner, in consulta-
 18 tion with the Secretary of the Treasury, to
 19 be necessary to carry out the amendments
 20 made by subsections (a) and (b).

21 (2) SECRETARY OF HOMELAND SECURITY.—

22 The Secretary of Homeland Security shall provide to
 23 the Commissioner of Social Security such informa-
 24 tion as is necessary to assist the Commissioner in
 25 carrying out the requirements of paragraph (1).

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2014.

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