

# A Bill

## The Child Advancement and Ditch Elimination Act of 2027

Whereas, the tax and entitlements system of The United States of America currently encourages single parenthood, encourages single mothers to have more children while remaining single, generally discourages marriage, and discourages many from earning more money for fear of experiencing a net negative financial outcome incident thereto due to loss of tax credits and entitlements;

Whereas, many credible studies and books show children of married parents generally have better opportunities and outcomes in life than children of single parents;

Whereas, children of single parents often become single parents;

Whereas, welfare reforms conducted in the 1990s reduced welfare benefits, but such benefits were largely replaced by tax credits (including refundable tax credits) and entitlements that prevented the goals of welfare reform from being realized;

Whereas, it is logical to reform tax credits and entitlements to encourage marriage when children exist;

Whereas, the Supplemental Nutrition Assistance Program (“SNAP”), codified at 7 U.S.C. section 2011 et seq. was supposed to “assist low-income adults in obtaining employment and increasing their earnings,” but the nature of how SNAP works in fact discourages many from increasing their earnings, for fear of loss of SNAP benefits;

Whereas, for many lower income persons and households, getting ahead is not a goal, as making more money often produces little or negative results;

Whereas, there is a “ditch,” where people net making less after tax credits and entitlements are taken into account, by making more money;

Whereas, federal revenue for the fiscal year ended September 30, 2025 was approximately \$5.2 trillion, federal spending was approximately \$7 trillion and, per the Congressional Budget Office, the United States has approximately \$38 trillion in debt as of January 2026 and future forecasted expenditures relative to future forecasted revenue show the debt is expected to continue to grow tremendously and dangerously, absent significant reduction to spending and/or significant increased taxation;

Whereas, it is in the best interest of the United States and its people to reform tax credits and entitlements relating to low to moderate income persons and households to: (a) encourage marriage when children exist; (c) discourage single women from having more children while remaining single; and (d) not discourage people to make more money, thus eliminating the “ditch;”

Whereas, it is anticipated the reforms of this Act will not immediately significantly impact federal direct spending (or revenue), but over time will reduce spending and produce overall benefits to society that will benefit all Americans in all ways in the future, and thus help the federal financial situation and the country.

Therefore, to help achieve the objectives outlined above, Congress hereby amends provisions of the United States Code, including the Internal Revenue Code, 26 U.S.C. section 1 *et seq.* (the “Code”), as follows.

The Code is amended as follows effective January 1, 2029, except as otherwise noted:

(a) Subsection (c) of Code section 21, relating to expenses for household and dependent care services necessary for gainful employment, is revised to read as follows:

(c) The amount of employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) will not exceed-

- (1) With respect to married persons filing a joint return for the taxable year, \$4,000 if there is 1 qualifying individual with respect to such taxpayers for such taxable year;
- (2) With respect to taxpayers other than married persons filing a joint return for the taxable year, \$2,000 if there is 1 qualifying individual with respect to the taxpayer for such taxable year;
- (3) With respect to married persons filing a joint return for the taxable year, \$8,000 if there are 2 or more qualifying individuals with respect to such taxpayers for such taxable year;
- (4) With respect to taxpayers other than married persons filing a joint return for the taxable year, \$4,000 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

The aggregate determined under the preceding paragraphs 1-4 (whichever is applicable) will be reduced by the aggregate amount excluded from gross income under section 129 for the taxable year.

- (b) Paragraph (2) of subsection (c) of section 24, relating to the child tax credit, is revised to read as follows:

(2) The term “qualifying child” will not include: (A) 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;” or (B) any child born more than one year after enactment of the Child Advancement and Ditch Elimination Act of 2027, unless the parent of such child is married and files a joint return for such taxable year.

- (c) In paragraph (1) of subsection (b) of section 32, the 1 qualifying child credit percentage is reduced to 23 and the phaseout percentage is reduced to 12, the 2 qualifying children credit percentage is reduced to 27 and the phaseout percentage is reduced to 16, the 3 or more qualifying children credit percentage is reduced to 30 and the phaseout percentage is reduced to 16, and the no qualifying children credit percentage is reduced to 5 and the phaseout percentage is reduced to 5. In Subparagraph (A) of paragraph (2) of subsection (b) of section 32, the 1 qualifying child earned income amount is increased to \$15,000 and the phaseout amount is increased to \$30,000, the 2 or more qualifying children earned income amount is increased to \$21,000 and the phaseout amount is increased to \$30,000, and the no qualifying children earned income amount is increased to \$10,000 and the phaseout amount is increased to \$13,600. In Subparagraph (B) of paragraph (2) of subsection (b) of section 32, relating to the earned income credit available to an eligible individual and their spouse filing a joint return, “5,000” is replaced with “\$20,000.”

- (d) A new subparagraph (F), titled Disregarded Children, is added to paragraph (1) of subsection (c) of section 32, relating to the definition of eligible individual under the earned income credit, to read as follows:

(F) Disregarded Children

With respect to any individual other than a married individual filing a joint return for the taxable year, any child of such individual born more than one year after enactment of the Child Advancement and Ditch Elimination Act of 2027 will not be a qualifying child.

- (e) The word “and” after paragraph (4) of subsection (l), relating to exclusion of the earned income credit from certain calculations, and paragraph (5) of subsection (l), the Food Nutrition Act of 2008 (relating to supplemental nutrition assistance program), are deleted, so that earned income credit will be taken into account when calculating supplemental nutrition assistance program benefits.
- (f) A new subsection (o) is added to section 32, relating to phase-out of the earned income credit, to read as follows:

(o) Phase-Out of Credit

The credit provided by this subsection will be reduced by the following percentages in the following years:

- (1) 10 percent in 2032, effective for 2032 and 2033;
- (2) 20 percent in 2034, effective for 2034 and 2035;
- (3) 30 percent in 2036, effective for 2036 and 2037;
- (4) 40 percent in 2038, effective for 2038 and 2039;
- (5) 50 percent in 2040, effective for 2040 and 2041;
- (6) 60 percent in 2042, effective for 2042 and 2043;
- (7) 70 percent in 2044, effective for 2044 and 2045;
- (8) 80 percent in 2046, effective for 2046 and 2047; and
- (9) 90 percent in 2048, effective for 2048 and 2049; and

The credit will cease to apply after 2049.

- (g) The only sentence of paragraph (1) of subsection (d) of section 36B, relating to family size under refundable credit for coverage under a qualified health plan, is revised to read as follows: “The family size involved with respect to any taxpayer shall be equal to the number of individuals for whom the taxpayer is allowed a

deduction under section 151 (relating to allowance of deduction for personal exemptions) for the taxable year, except with respect to any individual other than a married individual filing a joint return for the taxable year, any child of such individual born more than one year after enactment of the Child Advancement and Ditch Elimination Act of 2027 will not be taken into account.

Title 7 of the United States Code, section 2011 *et seq.* is revised by making the following changes to the supplemental nutrition assistance program (SNAP) provisions thereto, effective January 1, 2030, unless otherwise noted:

(h) In 7 U.S.C. sections 2012, 2014 and 2015, the term “sixty years” or “60 years” is replaced with “65 years,” each place it appears, “age of 60” is replaced with “age of 65,” and the parenthetical “(i.e., age 65 or older)” is added after the word “elderly,” each place the word “elderly” appears.

(i) Paragraph (2) of subsection (m) of 7 U.S.C. section 2012, defining “household,” is revised to read as follows: “Spouses who live together, parents and their children 21 years of age or younger who live together, and children (excluding foster children) under 18 years of age who live with and are under the parental control of a person other than their parent together with the person exercising parental control shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so, except with respect to an unmarried person, any child of such person born more than one year after enactment of the Child Advancement and Ditch Elimination Act of 2027 will not be considered a household member.”

(j) Paragraph (1) of subsection (c) of 7 U.S.C. section 2014, relating to an income standard relating to eligibility, taking into account the exclusions and deductions of subsections (d) and (e), is revised addition of “120 percent of” following the word “exceeds” and preceding the words “the poverty line.”

(k) Paragraph (2) of subsection (c) of 7 U.S.C. section 2014, relating to an income standard relating to eligibility, taking into account the exclusions of subsection (d) but not the deductions provided for in subsection (e), is revised by replacement of “30 per centum” with “50 per centum.”

(l) Subparagraph (B) of paragraph (7) of subsection (g) of 7 U.S.C. section 2014, titled “DISCRETIONARY EXCLUSIONS,” is retitled to read as follows: “LIMITS AND DISCRETIONARY EXCLUSIONS,” and the following additional sentences are added at the end of the text of the only sentence thereof: “However, retirement accounts, etc. described in the preceding subparagraph (A) will not be excluded to the extent the combined value thereof exceeds \$500,000. The \$500,000 figure will be indexed for inflation in accordance with 26 U.S.C. section 1(f)(3) for years beginning after 2031.”

(m) In clause (E) of paragraph (2) of subsection (d) of 7 U.S.C. section 2015, to generally require 30 or more hours of work per week by the head of the household in order to be eligible for SNAP benefits, the following words are deleted: “or receiving weekly earnings which equal the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), multiplied by thirty hours;”

(n) To be consistent with the preceding changes, subparagraph (A) of paragraph (3) of subsection (o) of 7 U.S.C. section 2015 (as amended in 2025) is revised to read as follows: “under 18, or over 64, years of age.”

(o) In the first and only sentence of subsection (a) of 7 U.S.C. section 2017, immediately following the colon that is preceded by “whole dollar,” the following text is added: “, multiplied by the applicable percent of such calculated amount, as defined in the next sentence” and the following sentences are added after the only sentence of such subsection: For purposes of the preceding sentence, the applicable percent is: (i) 100 percent if household income is 80 percent or less of the poverty line; and (ii) 100 percent minus two and a half (2.5) percentage points for each one percent of the poverty level and each partial percent of the poverty level (combined) by which household income exceeds 80 percent of the poverty line. For these purposes, “poverty line” is defined in paragraph (1) of subsection (c) of 7 U.S.C. section 2014 and a “household’s income” (or household income) is defined in paragraph (1) of subsection (c) of 7 U.S.C. section 2014 (taking into account the exclusions and deductions of subsections (d) and (e) of section 2014).

(p) To repeal “Section 8” housing vouchers after 2031, subsection (a) of 42 U.S.C. section 1437f is revised to read as follows: “For the purpose of aiding low-income families in obtaining a decent place to live and of promoting economically mixed housing, prior to 2032 (but not after 2031), assistance payments may be made with respect to existing housing in accordance with the provisions of this section. -END-