

The ITIN Agenda

President Biden and Congressional Democrats promise to cut child poverty in half by expanding the Earned Income Tax Credit and the Child Tax Credit. Tax credits are a two-for-one solution to child poverty by providing both immediate relief and incentives for adults to increase earnings through work. However, about one of every five poor children has an unauthorized immigrant parent and thus little or no access to tax credits. That is nearly two million children, and 85 percent of them are U.S. citizens. The mechanism of inequality is a two-tier system of tax identifiers in which all pay but credits are largely limited to those with a Social Security Number (ITIN). All others can only fulfill their tax obligations with an Individual Taxpayer Identification Number based on their immigration status. In addition to eligibility exclusions there are bureaucratic impediments as the IRS in recent years has made it increasingly difficult to get and hold an ITIN.



“One in five children experiencing poverty in the U.S. has an ITIN holder parent, and thus has little access to tax credits.”

Child poverty can only be attacked successfully through the ITIN agenda:

- 1) Full ITIN eligibility for earned income tax credits and child tax credits, federal and state.**
- 2) Reform and fund IRS application and renewal procedures.**
- 3) Undertake a national campaign to encourage ITIN use.**

INCLUSION IS GAINING MOMENTUM

As the pandemic focused attention on highly vulnerable low-wage workers in essential jobs, Congress extended COVID relief to some ITIN filers, and meanwhile seven states (California, Colorado, Maryland, New Mexico, Washington, Maine and Oregon) enacted legislation including ITIN filers in their EITCs.

On signing the California measure, Gov. Gavin Newsom said, “these Californians are taxpayers and should be treated like taxpayers, eligible for the same tax credits, paying the same tax rates.”

Equal access to tax credits does more than remedy a flaw in existing policies, more than reduce poverty. It could open a new chapter in the immigration policy debate. Inclusion values ITIN filers as workers and parents. ITIN participation is an onramp to compliance for those outside the law in other regards. The ITIN agenda embeds a form of legal recognition in tax and social policies and in the functioning of important bureaucracies in Washington and the states.

For more information go to: <https://cmsny.org/publications/jmhs-suro-finding-090221/>