

October 5, 2026

Submitted via www.regulations.gov
Internal Revenue Service
Office of Associate Counsel (Income Tax & Accounting)

RE: Application of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the Refunded Portion of Certain Federal Refundable Tax Credits (REG-119882-25)

Thank you for the opportunity to submit comments on the Department of Treasury (Treasury) and Internal Revenue Service (IRS) notice of proposed rulemaking (NPRM), “Application of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the Refunded Portion of Certain Federal Refundable Tax Credits”, published in the Federal Register on August 20, 2026. **On behalf of Children’s HealthWatch, we write in strong opposition to the NPRM and urge Treasury and IRS to withdraw the proposed changes, which would harm families, undermine children’s health and economic security, and impose significant burdens on all taxpayers.**

Children’s HealthWatch is a nonpartisan network of pediatricians, public health researchers, and policy experts who examine how policy decisions affect the health and well-being of young children and their families. We accomplish this by interviewing caregivers of young children in emergency departments and primary care clinics in four U.S. cities: Boston, MA; Minneapolis, MN; Little Rock, AR; and Philadelphia, PA. Since 1998, we have interviewed more than 80,000 caregivers and analyzed those data to determine the impact of policy decisions on the health and development of young children.

As a network dedicated to protecting and advancing children’s health, we are deeply concerned by Treasury’s proposal to reclassify the refundable portions of several tax credits, including the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), as federal public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This change would take critical resources away from entire families and introduce new barriers into a system that families already experience as difficult to navigate.

The proposed rule threatens the financial security and health of families and children.

Refundable tax credits, including the EITC and CTC, are important tools for reducing poverty and hardship and supporting health and well-being by putting money directly back into families’ pockets.¹ Children’s HealthWatch research consistently demonstrates that when families cannot

afford the basics – including food, housing, utilities, health care, and child care – the health and well-being of children and families suffer. Conversely, families who are free from hardship experience better child and caregiver health.²

In 2025, the federal EITC and refundable portion of the CTC lifted 6.1 million people, including 3.3 million children, above the poverty line.³ Children's HealthWatch research on the expanded CTC found that families who received the boosted refundable credit experienced greater food security, housing stability, and better maternal mental health.⁴ Our research also showed that the expanded CTC was associated with a reduction in food insufficiency, particularly among families experiencing economic shocks.⁵ The EITC similarly supplements income to support families with low and moderate incomes, with benefits for child and family health. Reducing families' access to the EITC and CTC will deepen financial hardship and have consequences for children's health and well-being.

While the NPRM estimates that 200,000 to 700,000 taxpayers could become directly ineligible as result of the changes, new estimates demonstrate that the impact will be much higher and extend across entire families – including children, US citizens, and people with lawful immigration status. The Research to Action Hub for Children in Immigrant Families estimates that approximately 671,000 people, including 309,000 children, live in families that could lose eligibility for the EITC under the proposed rule and that approximately 1.125 million people, including 574,000 children, live in families that could lose eligibility for the refundable portion of the CTC.⁶ An estimated 566,000 people, including 285,000 children, could lose eligibility for both credits.⁶ Nearly 9 in 10 children who could lose eligibility for either or both credits are US citizens.⁶

The proposed rule would add administrative barriers that could further reduce access to resources that support child health.

The proposed requirements would add complexity to an already challenging tax filing process. Families, tax preparers, and community organizations would need to navigate new eligibility rules, determine how immigration status affects the refundable portions of the credits, and navigate new attestation and documentation requirements. Under the proposed rule, anyone claiming the refundable tax credits will have to attest, under penalty of perjury, that they are a US citizen or national or a "qualified immigrant". Requiring taxpayers to disclose or verify immigration status as part of the tax filing process represents a significant departure from the longstanding approach to administering these credits. Such a change risks eroding trust in the tax system, discouraging participation, and causing a chilling effect among eligible families.

Children's HealthWatch research demonstrates that administrative burden is a significant barrier to accessing programs families need. Our recent research on enrollment across multiple safety net programs found that administrative burdens – including the effort to understand programs and comply with their requirements – contributed to gaps in participation.⁷ Adding a new immigration-status determination to the tax filing process will create confusion about who is eligible, what information must be provided, and how information will be used. Families with mixed immigration statuses may be particularly concerned about these requirements.

The burden would also fall on community organizations, volunteer tax preparers, and other trusted messengers that help families navigate the tax system. These organizations would need to learn and explain how immigration status affects the refundable portion of the credits, determine eligibility within families with different immigration statuses, and address questions and concerns from families. This uncertainty underscores the risk of confusion, erroneous denials, and additional administrative burdens for both families and tax preparers. The result could be additional costs and complexity for both families and the community infrastructure that has been developed to improve access to tax credits.

The proposed rule could undermine state investments in family economic security.

The proposed changes could have consequences beyond federal tax credits, particularly in states where state tax credits are tied to federal eligibility. This includes in Massachusetts and Pennsylvania, where Children's HealthWatch collects data. As a result, families could lose access to both federal credits and corresponding state credits. For families with young children, the combined loss of state and federal resources will represent a meaningful reduction in income available for food, housing, utilities, child care, health care, and other basic necessities that support child health. Further, federal restrictions that discourage tax filing or create confusion about eligibility could undermine access to state credits, even when families remain eligible under state law.

We urge Treasury and the IRS to withdraw the proposed rule.

Refundable tax credits, including the EITC and CTC, are evidence-based investments in children, families, and communities. Restricting access would increase hardship, jeopardize health and well-being, discourage tax filing, and create unnecessary complexity for taxpayers, states, tax preparers, and community organizations. We urge Treasury and the IRS to withdraw the NPRM and instead preserve and expand pathways for families to claim refundable tax credits.

Sincerely,



Stephanie Ettinger de Cuba, PhD, MPH
Executive Director, Children's HealthWatch
Boston, MA



Megan Sandel MD, MPH
Co-Lead Principal Investigator, Children's HealthWatch
Boston, MA



Michael Arenson, MD, MS, MA
Co-Lead Principal Investigator, Children's HealthWatch
Minneapolis, MN



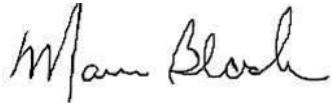
Félice Lê-Scherban, PhD, MPH
Principal Investigator, Children's HealthWatch
Philadelphia, PA



Deborah A. Frank, MD
Principal Investigator and Founder, Children's HealthWatch
Boston, MA



Eduardo Ochoa Jr., MD
Principal Investigator, Children's HealthWatch
Little Rock, AR



Maureen Black, PhD
Emeritus Principal Investigator, Children's HealthWatch
Baltimore, MD

¹ Bruce C, et al. The Earned Income Tax Credit and Child Tax Credit: Building on Success for Healthy Families. Children's HealthWatch. 2020.

² Sheward R, Ettinger de Cuba S, Cutts DB, et al. Hardship-free households are associated with optimal caregiver and child health. *AJPM Focus*. 2026;5(1):100422.

³ Bijou C, Shrider EA. Poverty in the United States: 2025. United States Census Bureau. 2026.

⁴ Ettinger de Cuba S, Coleman SM, Bovell-Ammon A, et al. Expanded child tax credit, family health, and material hardships. *JAMA Network Open*. 2025;8(6):e2518335.

⁵ McCann NC, Dean LT, Bovell-Ammon A, Ettinger de Cuba S, Green T, Shafer PR, Raifman J. Association between Child Tax Credit advance payments and food insufficiency in households experiencing economic shocks. *Health Affairs Scholar*. 2024;2(2):qxae011.

⁶ Wong E, Joshi P, Acevedo-Garcia D, et al. New Estimates of the Total Number of People and Children in Immigrant Families Who Could Lose Eligibility for the Refundable Portions of the Earned Income Tax Credit and Child Tax Credit. Research to Action Hub for Children in Immigrant Families. 2026.

⁷ Ettinger de Cuba S, Sheward R, Gago C, et al. Co-enrollment in safety-net programs among families with young children: A multistate analysis of enrollment gaps, design and implementation. *Journal of Health Politics, Policy and Law*. 2026:12757923.