

# United States Senate

WASHINGTON, DC 20510

June 5, 2025

The Honorable John Thune  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, D.C. 20510

Dear Speaker Johnson and Leader Thune:

We write to share our concerns regarding proposed changes to the administration of the Earned Income Tax Credit (EITC) included in the budget reconciliation bill passed by the House of Representatives on May 22, 2025. Such changes, if adopted, will only serve to further complicate the EITC's existing challenges and make it more difficult to claim the credit, leading to an unacceptable tax increase on America's working families.

As you know, the EITC is a longstanding tax credit available for low- and moderate-income Americans that aims to promote work and provide tax relief for the working class. As currently written, the House reconciliation bill would direct the Treasury Secretary to establish a new process requiring taxpayers to obtain precertification from the Internal Revenue Service (IRS) before claiming the EITC. This new precertification program would be an additional requirement for eligible taxpayers to claim the EITC on top of existing tax filing requirements.

This is not the first time this idea has been tried. In 2003, during the administration of President George W. Bush, the IRS initiated an EITC precertification pilot program with new requirements for fathers not filing joint returns and nonparent claimants.<sup>1</sup> After studying the results of the pilot program and receiving public comment, the IRS abandoned the initiative and deemed it a failure, finding that the precertification program deterred eligible workers from claiming the EITC and resulted in an overall reduction in EITC claims.<sup>2</sup>

Now is not the time to retest old ideas for reform that have already been attempted and failed, especially when nearly 20 percent of eligible workers already do not claim the EITC.<sup>3</sup> Many of these workers do not claim the credit due to its complexity and because they are not aware of their own eligibility or even that the EITC exists.<sup>4</sup> The House reconciliation bill's new precertification program would thus only exacerbate the EITC's existing shortcomings by creating more red tape and complexity for workers hoping to claim the credit. This will lead to fewer eligible workers claiming the EITC, resulting in an effective tax increase on America's working families.

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<sup>1</sup> [https://www.uclalawreview.org/wp-content/uploads/2019/09/43\\_52UCLALRev18672004-2005.pdf](https://www.uclalawreview.org/wp-content/uploads/2019/09/43_52UCLALRev18672004-2005.pdf).

<sup>2</sup> <https://www.urban.org/sites/default/files/publication/50486/311282-Is-There-a-System-Supporting-Low-Income-Families-.PDF>.

<sup>3</sup> <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states>.

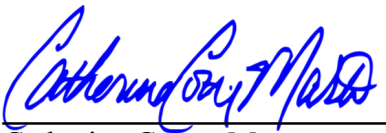
<sup>4</sup> <https://taxpolicycenter.org/briefing-book/do-all-people-eligible-eitc-participate#:~:text=Others%20may%20be%20unaware%20they,people%20from%20claiming%20the%20EITC>.

Furthermore, the House reconciliation bill's EITC precertification program would unduly burden EITC claimants, all of whom are low- and middle-income taxpayers, while establishing no new precertification requirements for tax benefits claimed by wealthy individuals. In fact, most of the House bill's tax cuts go to the country's highest earners.<sup>5</sup> The bill does not establish any precertification programs for these benefits. It is cruel to place more burdensome requirements on working families to obtain tax benefits while at the same time handing out tax breaks condition-free to the highest earners.

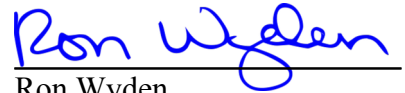
We urge you to work with House and Senate Republican tax writers to abandon the creation of a new precertification program and instead pursue reforms that will strengthen the EITC for American workers and families. Potential reforms include simplifying the administration of the EITC, cracking down on shady tax preparers that prey on EITC claimants, and expanding benefits for childless workers.<sup>6</sup>

We urge you to abandon this policy and instead work to strengthen the EITC.

Sincerely,



Catherine Cortez Masto  
United States Senator



Ron Wyden  
United States Senator  
Ranking Member, Committee  
on Finance



Michael F. Bennet  
United States Senator



Mark R. Warner  
United States Senator



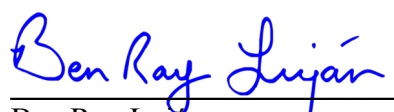
Peter Welch  
United States Senator



Tim Kaine  
United States Senator

<sup>5</sup> <https://budgetlab.yale.edu/research/distributional-effects-selected-provisions-house-reconciliation-bill-preliminary>.

<sup>6</sup> <https://taxpolicycenter.org/sites/default/files/2025-04/Expanding%20The%20Childless%20EITC%20and%20Minimizing%20Marriage%20Penalties%20Among%20Childless%20Couples%20.pdf>.



Ben Ray Lujan  
United States Senator



Richard Blumenthal  
United States Senator



Raphael Warnock  
United States Senator



Cory A. Booker  
United States Senator