Congress of the United States Washington, DC 20515

July 29, 2021

The Honorable Janet Yellen Secretary Department of the Treasury 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220 The Honorable Charles P. Rettig Commissioner Internal Revenue Service 1111 Constitution Avenue, N.W. Washington, D.C. 20224

Dear Secretary Yellen and Commissioner Rettig:

We write today to respectfully request that the Internal Revenue Service (IRS) work to ensure that families who welcome children into their households during 2021 receive their Child Tax Credit (CTC) payments as soon as possible. Many new parents and caregivers will need to update their number of dependents via the IRS's CTC portal in order to receive the much-needed payments. These caregivers include biological parents, adoptive parents, and relative caregivers and guardians who meet the eligibility requirements of the tax credit. Although the IRS is working hard to deliver this benefit to American working families, we ask that the IRS and Department of the Treasury do everything possible to ensure that these caregivers promptly get the CTC.

Families continue to recover from this bruising pandemic and families with newborns are facing additional challenges and high up-front expenses. The average delivery costs \$4,500, even with insurance¹, and parents can incur thousands of dollars in one-time expenses for essential items such as cribs, car seats, and strollers, and then recurring expenses for diapers and formula. This is in addition to the costs of pediatrician visits, which can be hundreds of dollars, even just for the recommended well visits.² Many parents also soon exhaust parental leave, if they have access to leave, and need to secure childcare, which can range from \$7,000 to \$17,000 per year, per some surveys³, with other parents reporting even higher costs.⁴

We appreciate the staff at the IRS's monumental efforts thus far to open the non-filer portal and the general payment management portal for eligible families. We understand the enormous challenges of distributing advanced monthly payments to millions of families, and we commend IRS personnel for working so quickly to get initial payments out by July 15. We recognize that the agency is working with limited resources, and we applaud the dedication and commitment of IRS employees to implement these crucial payments, which allow parents to cover costs as they

¹ <u>https://www.theatlantic.com/health/archive/2020/01/how-much-does-it-cost-have-baby-us/604519/</u>

² <u>https://newsroom.bmoharris.com/2014-05-22-BMO-Harris-Bank-Study-One-Third-of-American-Parents-Have-Not-Saved-for-a-Family-Financial-Emergency</u>

³ <u>https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/</u>

⁴ <u>https://www.epi.org/child-care-costs-in-the-united-states/#/DC</u>

incur them. Furthermore, we are grateful for the Biden Administration's leadership in working with the Committee on Ways and Means to include the expanded CTC in the American Rescue Plan, and its push to extend these payments permanently.

Accordingly, we ask that the IRS and the Department of the Treasury continue this excellent work by delivering monthly payments to families with new dependents without unnecessary delay. We must make sure that the advance CTC payments reach all families who are eligible, especially those who have the up-front costs of welcoming a child into their home.

Thank you for all your efforts to expand and extend the Child Tax Credit and to reduce the burdens faced by parents and caregivers. Allowing parents and caregivers with new children in 2021 to update their dependent status sooner and quickly disbursing their payments will help them address new, child-related expenses now and bolster our recovery. We look forward to continuing to work together to provide working families the support they deserve.

Sincerely,

Jimmy Panetta Member of Congress

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Mike Thompson Member of Congress

Earl Blumenauer Member of Congress

Biel Gascrill fr

Bill Pascrell, Jr. Member of Congress

John B. Larson Member of Congress

Ron Kind Member of Congress

Parmy d. Danies

Danny K. Davis Member of Congress

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