


(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to establish a refundable young adult tax credit with monthly advance payment.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCGARVEY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish a refundable young adult tax credit with monthly advance payment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Young Adult Tax
5 Credit Act”.

1 **SEC. 2. ESTABLISHMENT OF REFUNDABLE YOUNG ADULT**
2 **TAX CREDIT WITH MONTHLY ADVANCE PAY-**
3 **MENT.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 is amended by inserting after section 24 the fol-
7 lowing new sections:

8 **“SEC. 24A. MONTHLY YOUNG ADULT TAX CREDIT.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
10 lowed as a credit against the tax imposed by this chapter
11 for the taxable year the sum of the monthly specified
12 young adult allowances determined with respect to the tax-
13 payer under subsection (b) for each calendar month dur-
14 ing such taxable year.

15 “(b) MONTHLY SPECIFIED YOUNG ADULT ALLOW-
16 ANCE.—

17 “(1) IN GENERAL.—For purposes of this sec-
18 tion, the term ‘monthly specified young adult allow-
19 ance’ means the sum of \$500 for each taxpayer or
20 dependent of the taxpayer who is a specified young
21 adult for any calendar month.

22 “(2) MONTHLY SPECIFIED YOUNG ADULT AL-
23 LOWANCE.—In the case of any month beginning
24 after December 31, 2024, the \$500 amount in para-
25 graph (1) shall be increased by an amount equal
26 to—

1 “(A) such dollar amount, multiplied by—

2 “(B) the percentage (if any) by which—

3 “(i) the CPI (as defined in section
4 1(f)(4)) for the calendar year preceding
5 the calendar year in which such month be-
6 gins, exceeds

7 “(ii) the CPI (as so defined) for cal-
8 endar year 2024.

9 “(c) SPECIFIED YOUNG ADULT.—The term ‘specified
10 young adult’ means an individual—

11 “(1) who, as of the close of such month, is at
12 least 18 and will not have attained age 25, and

13 “(2) who either is a citizen, national, or resi-
14 dent of the United States.

15 “(d) DENIAL OF CREDIT TO DEPENDENTS.—No
16 credit shall be allowed under this section to any individual
17 with respect to whom a deduction under section 151 is
18 allowable to another taxpayer for a taxable year beginning
19 in the calendar year in which such individual’s taxable
20 year begins.

21 “(e) CREDIT REFUNDABLE.—If the taxpayer (in the
22 case of a joint return, either spouse) has a principal place
23 of abode (determined as provided in section 32) in the
24 United States or Puerto Rico for more than one-half of
25 any calendar month during the taxable year, so much of

1 the credit otherwise allowed under subsection (a) as is at-
2 tributable to monthly specified young adult allowances
3 with respect to any such calendar month shall be allowed
4 under subpart C (and not allowed under this subpart).

5 “(f) IDENTIFICATION REQUIREMENTS.—

6 “(1) DEPENDENT IDENTIFICATION REQUIRE-
7 MENT.—No credit shall be allowed under this section
8 to a taxpayer with respect to any dependent unless
9 the taxpayer includes the name and taxpayer identi-
10 fication number of such dependent on the return of
11 tax for the taxable year and such taxpayer identi-
12 fication number was issued on or before the due date
13 for filing such return.

14 “(2) TAXPAYER IDENTIFICATION REQUIRE-
15 MENT.—No credit shall be allowed under this section
16 if the taxpayer identification number of the taxpayer
17 was issued after the due date for filing the return
18 for the taxable year.

19 “(g) RECONCILIATION OF CREDIT AND MONTHLY
20 ADVANCE YOUNG ADULT PAYMENTS.—

21 “(1) IN GENERAL.—The amount otherwise de-
22 termined under subsection (a) with respect to any
23 taxpayer for any taxable year shall be reduced (but
24 not below zero) by the aggregate amount of pay-
25 ments made under section 7527B to such taxpayer

1 for one or more calendar months in such taxable
2 year. Any failure to so reduce the credit shall be
3 treated as arising out of a mathematical or clerical
4 error and assessed according to section 6213(b)(1).

5 “(2) RECAPTURE OF EXCESS ADVANCE PAY-
6 MENTS IN CERTAIN CIRCUMSTANCES.—In the case
7 of a taxpayer described in paragraph (3) for any
8 taxable year, the tax imposed by this chapter for
9 such taxable year shall be increased by the excess (if
10 any) of—

11 “(A) the aggregate amount of payments
12 made to the taxpayer under section 7527B for
13 one or more calendar months in such taxable
14 year, over

15 “(B) the amount determined under sub-
16 section (a) with respect to the taxpayer for such
17 taxable year (without regard to paragraph (1)
18 of this subsection).

19 “(3) TAXPAYERS SUBJECT TO RECAPTURE.—

20 “(A) FRAUD OR RECKLESS OR INTEN-
21 TIONAL DISREGARD OF RULES AND REGULA-
22 TIONS.—A taxpayer is described in this para-
23 graph with respect to any taxable year if the
24 Secretary determines that the amount described
25 in paragraph (2)(A) with respect to the tax-

1 payer for such taxable year was determined on
2 the basis of fraud or a reckless or intentional
3 disregard of rules and regulations.

4 “(B) CERTAIN PAYMENTS MADE AFTER
5 NOTICE FROM SECRETARY.—If the Secretary
6 notifies a taxpayer under section 7527B(e)(2)
7 that such taxpayer is subject to recapture with
8 respect to any payments—

9 “(i) such taxpayer shall be treated as
10 described in this paragraph, and

11 “(ii) the increase determined under
12 paragraph (2) by reason of this subpara-
13 graph shall not exceed the aggregate
14 amount of such payments.

15 “(C) OTHER CIRCUMSTANCES TO PREVENT
16 ABUSE.—A taxpayer is described in this para-
17 graph with respect to any taxable year pursuant
18 to regulations or other guidance of the Sec-
19 retary describing other recapture circumstances
20 to facilitate the administration and enforcement
21 by the Secretary of section 7527B to minimize
22 the amount of advance payments made under
23 section 7527B to ineligible individuals and to
24 prevent abuse.

1 “(4) COORDINATION WITH POSSESSIONS OF
2 THE UNITED STATES.—For purposes of this sub-
3 section, payments made under section 7527B include
4 payments made by any jurisdiction other than the
5 United States under section 7527B of the income
6 tax law of such jurisdiction, and advance payments
7 made by American Samoa pursuant to a plan de-
8 scribed in subsection (e)(3)(B). Any increase in tax
9 imposed on a taxpayer by reason of paragraph (2)
10 of the income tax law of a jurisdiction other than
11 the United States shall be considered to reduce the
12 aggregate amount of payments made to such tax-
13 payer by such jurisdiction. In carrying out this sec-
14 tion, the Secretary shall coordinate with each posses-
15 sion of the United States to prevent any application
16 of this paragraph that is inconsistent with the pur-
17 poses of this subsection.

18 “(h) APPLICATION OF CREDIT IN POSSESSIONS.—

19 “(1) MIRROR CODE POSSESSIONS.—

20 “(A) IN GENERAL.—The Secretary shall
21 pay to each possession of the United States
22 with a mirror code tax system amounts equal to
23 the loss (if any) to that possession by reason of
24 the application of this section (determined with-
25 out regard to this subsection) with respect to

1 taxable years beginning in calendar years after
2 2023. Such amounts shall be determined by the
3 Secretary based on information provided by the
4 government of the respective possession.

5 “(B) COORDINATION WITH CREDIT AL-
6 LOWED AGAINST UNITED STATES INCOME
7 TAXES.—No credit shall be allowed under this
8 section for any taxable year to any individual to
9 whom a credit is allowable against taxes im-
10 posed by a possession of the United States with
11 a mirror code tax system by reason of the appli-
12 cation of this section in such possession for
13 such taxable year.

14 “(C) MIRROR CODE TAX SYSTEM.—For
15 purposes of this paragraph, the term ‘mirror
16 code tax system’ means, with respect to any
17 possession of the United States, the income tax
18 system of such possession if the income tax li-
19 ability of the residents of such possession under
20 such system is determined by reference to the
21 income tax laws of the United States as if such
22 possession were the United States.

23 “(2) CROSS REFERENCES RELATED TO APPLI-
24 CATION OF CREDIT TO RESIDENTS OF PUERTO
25 RICO.—

1 “(A) For application of refundable credit
2 to residents of Puerto Rico, see subsection (d).

3 “(B) For application of advance payment
4 to residents of Puerto Rico, see section
5 7527B(b)(2).

6 “(3) AMERICAN SAMOA.—

7 “(A) IN GENERAL.—The Secretary shall
8 pay to American Samoa amounts estimated by
9 the Secretary as being equal to the aggregate
10 benefits that would have been provided to resi-
11 dents of American Samoa by reason of the ap-
12 plication of this section for taxable years begin-
13 ning in calendar years after 2023 if the provi-
14 sions of this section had been in effect in Amer-
15 ican Samoa (applied as if American Samoa
16 were the United States and without regard to
17 the application of this section to residents of
18 Puerto Rico under subsection (d)).

19 “(B) DISTRIBUTION REQUIREMENT.—Sub-
20 paragraph (A) shall not apply unless American
21 Samoa has a plan, which has been approved by
22 the Secretary, under which American Samoa
23 will promptly distribute such payments to its
24 residents.

1 “(C) COORDINATION WITH CREDIT AL-
2 LOWED AGAINST UNITED STATES INCOME
3 TAXES.—

4 “(i) IN GENERAL.—In the case of a
5 taxable year with respect to which a plan
6 is approved under subparagraph (B), this
7 section (other than this subsection) shall
8 not apply to any individual eligible for a
9 distribution under such plan.

10 “(ii) APPLICATION OF SECTION IN
11 EVENT OF ABSENCE OF APPROVED
12 PLAN.—In the case of a taxable year with
13 respect to which a plan is not approved
14 under subparagraph (B), subsection (d)
15 shall be applied by substituting ‘, Puerto
16 Rico, or American Samoa’ for ‘or Puerto
17 Rico’.

18 “(4) TREATMENT OF PAYMENTS.—For pur-
19 poses of section 1324 of title 31, United States
20 Code, the payments under this subsection shall be
21 treated in the same manner as a refund due from
22 a credit provision referred to in subsection (b)(2) of
23 such section.

24 “(i) REGULATIONS.—The Secretary shall issue such
25 regulations or other guidance as the Secretary determines

1 necessary or appropriate to carry out the purposes of this
2 section.”.

3 (b) MONTHLY PAYMENT OF YOUNG ADULT TAX
4 CREDIT.—Chapter 77 of such Code is amended by insert-
5 ing after section 7527A the following new section:

6 **“SEC. 7527B. MONTHLY PAYMENTS OF YOUNG ADULT TAX**
7 **CREDIT.**

8 “(a) IN GENERAL.—The Secretary shall establish a
9 program for making payments to taxpayers with respect
10 to each calendar month equal to the monthly advance
11 young adult payment determined with respect to such tax-
12 payer for such month.

13 “(b) MONTHLY ADVANCE YOUNG ADULT PAY-
14 MENT.—

15 “(1) IN GENERAL.—For purposes of this sec-
16 tion and except as otherwise provided in this section,
17 the term ‘monthly advance young adult payment’
18 means, with respect to any taxpayer for any cal-
19 endar month, the amount (if any) which is estimated
20 by the Secretary as being equal to the monthly spec-
21 ified young adult allowance which would be deter-
22 mined under section 24A(b) with respect to such
23 taxpayer for such calendar month.

24 “(2) RESIDENCE REQUIREMENT.—Unless de-
25 termined by the Secretary based on any information

1 known to the Secretary, no monthly specified young
2 adult allowance shall be determined with respect to
3 such taxpayer for a calendar month unless the tax-
4 payer (in the case of a joint return, either spouse)
5 has a principal place of abode (determined as pro-
6 vided in section 32) in the United States or Puerto
7 Rico for more than one-half of the month.

8 “(c) ON-LINE INFORMATION PORTAL.—

9 “(1) ON-LINE INFORMATION PORTAL.—The
10 Secretary shall establish an on-line portal which al-
11 lows taxpayers to—

12 “(A) subject to such restrictions as the
13 Secretary may provide, elect to begin or cease
14 receiving payments under this section,

15 “(B) provide information to the Secretary
16 which is relevant in determining the monthly
17 advance young adult payment and the tax-
18 payer’s eligibility for such payment, including
19 changes in expected dependent status for the
20 following tax year, and

21 “(C) subject to such restrictions as the
22 Secretary may provide, elect to begin or cease
23 an annual lump sum in lieu of monthly pay-
24 ments.

1 “(2) AVAILABILITY IN MULTIPLE LAN-
2 GUAGES.—The Secretary shall ensure that the on-
3 line portal described in paragraph (1) is available in
4 multiple languages.

5 “(3) ADMINISTRATION.—The Secretary shall
6 identify and allocate the resources necessary to ad-
7 minister the on-line portal described in paragraph
8 (1) and will create an internal review process to en-
9 sure the portal is frequently updated for efficiency,
10 accuracy, and ease-of-use.

11 “(4) MOBILE DEVICE COMPATIBILITY.—The on-
12 line portal described in paragraph (1) shall be com-
13 patible with mobile devices.

14 “(5) DETERMINATION OF DEPENDENT STATUS
15 FOR PURPOSES OF ADVANCE PAYMENT.—

16 “(A) IN GENERAL.—For purposes of deter-
17 mining the recipient of any monthly advance
18 young adult payment under this section, a spec-
19 ified young adult shall be treated as a depend-
20 ent of a taxpayer if such young adult was
21 claimed as a dependent of the taxpayer on the
22 return of tax filed by such taxpayer for the ref-
23 erence year.

24 “(B) REFERENCE YEAR.—The term ‘ref-
25 erence year’ means, with respect to any tax-

1 payer for any calendar year, the most recent
2 of—

3 “(i) in the case of a taxpayer who
4 filed a return of tax for the last taxable
5 year ending before the taxable year in
6 which a payment is made, such taxable
7 year, or

8 “(ii) in the case of a taxpayer who
9 filed a return of tax for the taxable year
10 preceding the taxable year described in
11 subparagraph (A), such preceding taxable
12 year.

13 “(C) RESOLUTION OF MULTIPLE CLAIMS
14 RELATING TO SAME DEPENDENT.—In the case
15 of multiple returns of tax claiming a payment
16 with respect to the same specified young adult
17 as a result of a change in dependent status, the
18 Secretary shall—

19 “(i) establish procedures under which
20 the Secretary expeditiously adjudicates tax-
21 payers’ competing claims with respect to
22 such payment,

23 “(ii) notify any taxpayer of the termi-
24 nation of eligibility for a payment pursuant
25 to this subparagraph, and

1 “(iii) treat any error as arising due to
2 a clerical error and assessed according to
3 section 6213(b)(1) unless information indi-
4 cates that such error is due to fraud or de-
5 termined on the basis of fraud or a reck-
6 less or intentional disregard of rules and
7 regulations.

8 “(d) PROVISIONS RELATED TO FORM, MANNER, AND
9 TREATMENT OF PAYMENTS.—

10 “(1) APPLICATION OF ELECTRONIC FUNDS PAY-
11 MENT REQUIREMENT.—The payments made by the
12 Secretary under subsection (a) shall be made by
13 electronic funds transfer to the same extent and in
14 the same manner as if such payments were Federal
15 payments not made under this title.

16 “(2) DELIVERY OF PAYMENTS.—Notwith-
17 standing any other provision of law, the Secretary
18 may certify and disburse refunds payable under this
19 section electronically to—

20 “(A) any account to which the payee au-
21 thorized, on or after January 1, 2023, the deliv-
22 ery of a refund of taxes under this title or of
23 a Federal payment (as defined in section 3332
24 of title 31, United States Code),

1 “(B) any account belonging to a payee
2 from which that individual, on or after January
3 1, 2023, made a payment of taxes under this
4 title, or

5 “(C) any Treasury-sponsored account (as
6 defined in section 208.2 of title 31, Code of
7 Federal Regulations).

8 “(3) WAIVER OF CERTAIN RULES.—Notwith-
9 standing section 3325 of title 31, United States
10 Code, or any other provision of law, with respect to
11 any payment of a refund under this section, a dis-
12 bursing official in the executive branch of the United
13 States Government may modify payment information
14 received from an officer or employee described in
15 section 3325(a)(1)(B) of such title for the purpose
16 of facilitating the accurate and efficient delivery of
17 such payment. Except in cases of fraud or reckless
18 neglect, no liability under sections 3325, 3527,
19 3528, or 3529 of title 31, United States Code, shall
20 be imposed with respect to payments made under
21 this paragraph.

22 “(4) EXCEPTION FROM REDUCTION OR OFF-
23 SET.—Any applicable payment (as defined in para-
24 graph (5)(E)(iii)) shall not be—

1 “(A) subject to reduction or offset pursu-
2 ant to section 3716 or 3720A of title 31,
3 United States Code,

4 “(B) subject to reduction or offset pursu-
5 ant to subsection (c), (d), (e), or (f) of section
6 6402, or

7 “(C) reduced or offset by other assessed
8 Federal taxes that would otherwise be subject
9 to levy or collection.

10 “(5) ASSIGNMENT OF BENEFITS.—

11 “(A) IN GENERAL.—The right of any per-
12 son to any applicable payment shall not be
13 transferable or assignable, at law or in equity,
14 and no applicable payment shall be subject to
15 execution, levy, attachment, garnishment, or
16 other legal process, or the operation of any
17 bankruptcy or insolvency law.

18 “(B) ENCODING OF PAYMENTS.—In the
19 case of an applicable payment described in sub-
20 paragraph (E)(iii)(I) that is paid electronically
21 by direct deposit through the Automated Clear-
22 ing House (ACH) network, the Secretary of the
23 Treasury (or the Secretary’s delegate) shall—

24 “(i) issue the payment using a unique
25 identifier that is reasonably sufficient to

1 allow a financial institution to identify the
2 payment as an applicable payment, and

3 “(ii) further encode the payment pur-
4 suant to the same specifications as re-
5 quired for a benefit payment defined in
6 section 212.3 of title 31, Code of Federal
7 Regulations.

8 “(C) GARNISHMENT.—

9 “(i) ENCODED PAYMENTS.—In the
10 case of a garnishment order that applies to
11 an account that has received an applicable
12 payment that is encoded as provided in
13 subparagraph (B), a financial institution
14 shall follow the requirements and proce-
15 dures set forth in part 212 of title 31,
16 Code of Federal Regulations, except—

17 “(I) notwithstanding section
18 212.4 of title 31, Code of Federal
19 Regulations (and except as provided
20 in subclause (II)), a financial institu-
21 tion shall not fail to follow the proce-
22 dures of sections 212.5 and 212.6 of
23 such title with respect to a garnish-
24 ment order merely because such order
25 has attached, or includes, a notice of

1 right to garnish federal benefits issued
2 by a State young adult support en-
3 forcement agency, and

4 “(II) a financial institution shall
5 not, with regard to any applicable
6 payment, be required to provide the
7 notice referenced in sections 212.6
8 and 212.7 of title 31, Code of Federal
9 Regulations.

10 “(ii) OTHER PAYMENTS.—In the case
11 of a garnishment order (other than an
12 order that has been served by the United
13 States) that has been received by a finan-
14 cial institution and that applies to an ac-
15 count into which an applicable payment
16 that has not been encoded as provided in
17 subparagraph (B) has been deposited elec-
18 tronically on any date during the lookback
19 period or into which an applicable payment
20 that has been deposited by check on any
21 date in the lookback period, the financial
22 institution, upon the request of the account
23 holder, shall treat the amount of the funds
24 in the account at the time of the request,
25 up to the amount of the applicable pay-

1 ment (in addition to any amounts other-
2 wise protected under part 212 of title 31,
3 Code of Federal Regulations), as exempt
4 from a garnishment order without requir-
5 ing the consent of the party serving the
6 garnishment order or the judgment cred-
7 itor.

8 “(iii) LIABILITY.—A financial institu-
9 tion that acts in good faith in reliance on
10 clauses (i) or (ii) shall not be subject to li-
11 ability or regulatory action under any Fed-
12 eral or State law, regulation, court or other
13 order, or regulatory interpretation for ac-
14 tions concerning any applicable payments.

15 “(D) NO RECLAMATION RIGHTS.—This
16 paragraph shall not alter the status of applica-
17 ble payments as tax refunds or other nonbenefit
18 payments for purpose of any reclamation rights
19 of the Department of the Treasury or the Inter-
20 nal Revenue Service as per part 210 of title 31,
21 Code of Federal Regulations.

22 “(E) DEFINITIONS.—For purposes of this
23 paragraph—

24 “(i) ACCOUNT HOLDER.—The term
25 ‘account holder’ means a natural person

1 whose name appears in a financial institu-
2 tion’s records as the direct or beneficial
3 owner of an account.

4 “(ii) ACCOUNT REVIEW.—The term
5 ‘account review’ means the process of ex-
6 aming deposits in an account to deter-
7 mine if an applicable payment has been de-
8 posited into the account during the
9 lookback period. The financial institution
10 shall perform the account review following
11 the procedures outlined in section 212.5 of
12 title 31, Code of Federal Regulations and
13 in accordance with the requirements of sec-
14 tion 212.6 of title 31, Code of Federal
15 Regulations.

16 “(iii) APPLICABLE PAYMENT.—The
17 term ‘applicable payment’ means—

18 “(I) any payment made to an in-
19 dividual under this section (other than
20 any payment made pursuant to para-
21 graph (6)),

22 “(II) any advance payment made
23 by a possession of the United States
24 with a mirror code tax system (as de-
25 fined in section 24(h)) pursuant to an

1 election under paragraph (6)(B)
2 which corresponds to a payment de-
3 scribed in subclause (I), and

4 “(III) any advance payment
5 made by American Samoa pursuant to
6 a program for making such payments
7 which is described in paragraph
8 (6)(C)(ii).

9 “(iv) GARNISHMENT.—The term ‘gar-
10 nishment’ means execution, levy, attach-
11 ment, garnishment, or other legal process.

12 “(v) GARNISHMENT ORDER.—The
13 term ‘garnishment order’ means a writ,
14 order, notice, summons, judgment, levy, or
15 similar written instruction issued by a
16 court, a State or State agency, a munici-
17 pality or municipal corporation, or a State
18 young adult support enforcement agency,
19 including a lien arising by operation of law
20 for overdue young adult support or an
21 order to freeze the assets in an account, to
22 effect a garnishment against a debtor.

23 “(vi) LOOKBACK PERIOD.—The term
24 ‘lookback period’ means the two month pe-
25 riod that begins on the date preceding the

1 date of account review and ends on the
2 corresponding date of the month two
3 months earlier, or on the last date of the
4 month two months earlier if the cor-
5 responding date does not exist.

6 “(6) APPLICATION OF ADVANCE PAYMENTS IN
7 THE POSSESSIONS OF THE UNITED STATES.—

8 “(A) PUERTO RICO.—

9 “(i) For application of young adult
10 tax credit to residents of Puerto Rico, see
11 section 24A(d).

12 “(ii) For application of monthly ad-
13 vance young adult payments to residents of
14 Puerto Rico, see subsection (b)(2).

15 “(B) MIRROR CODE POSSESSIONS.—In the
16 case of any possession of the United States with
17 a mirror code tax system (as defined in section
18 24A(h)(1)(C)), this section shall not be treated
19 as part of the income tax laws of the United
20 States for purposes of determining the income
21 tax law of such possession unless such posses-
22 sion elects to have this section be so treated.

23 “(e) NOTICE OF PAYMENTS.—

24 “(1) IN GENERAL.—Not later than January 31
25 of the calendar year following any calendar year dur-

1 ing which the Secretary makes one or more pay-
2 ments to any taxpayer under this section, the Sec-
3 retary shall provide such taxpayer with a written no-
4 tice which includes—

5 “(A) the taxpayer’s taxpayer identity (as
6 defined in section 6103(b)(6)),

7 “(B) the aggregate amount of such pay-
8 ments made to such taxpayer during such cal-
9 endar year, and

10 “(C) such other information as the Sec-
11 retary determines appropriate.

12 “(2) CERTAIN PAYMENTS SUBJECT TO RECAP-
13 TURE.—In the case of any payments made to a tax-
14 payer which the Secretary has determined are sub-
15 ject to recapture, the notice provided under para-
16 graph (1) to such taxpayer shall include the amount
17 of such payments.

18 “(f) NOTIFICATION OF CERTAIN EVENTS.—With re-
19 spect to any taxpayer receiving monthly advance young
20 adult payments under this section with respect to any
21 specified young adult, the Secretary shall, to the maximum
22 extent practicable, provide reasonable advance notice of
23 each of the following:

24 “(1) Any month with respect to which such
25 monthly advance young adult payment will increase

1 (relative to the preceding month) by reason of an in-
2 flation adjustment under section 24A(b)(2).

3 “(2) Any month with respect to which such
4 monthly advance young adult payment will be re-
5 duced (relative to the preceding month) by reason of
6 such young adult ceasing to be a specified young
7 adult by reason of attaining age 25.

8 “(g) REGULATIONS.—The Secretary shall issue such
9 regulations or other guidance as the Secretary determines
10 necessary or appropriate to carry out the purposes of this
11 section.”.

12 (c) CONFORMING AMENDMENTS.—

13 (1) Section 26(b)(2) is amended by striking
14 “and” at the end of subparagraph (Y), by striking
15 the period at the end of subparagraph (Z) and in-
16 serting “, and”, and by adding at the end the fol-
17 lowing new subparagraph:

18 “(AA) section 24A(f)(2) (relating to recap-
19 ture of certain monthly advance young adult
20 payments).”.

21 (2) Section 3402(f)(1)(C) is amended by insert-
22 ing “or section 24A (determined after application of
23 subsection (g) thereof)” after “section 24 (deter-
24 mined after application of subsection (j) thereof)”.

1 (3) Section 6211(b)(4)(A) is amended by insert-
2 ing “24A by reason of subsection (d) thereof,” after
3 “24 by reason of subsections (d) and (i)(1) there-
4 of.”.

5 (4) Section 6213(g)(2)(I) is amended by insert-
6 ing “or section 24A(f) (relating to monthly young
7 adult tax credit)” after “section 24(f) (relating to
8 young adult tax credit)”.

9 (5) Section 6213(g)(2)(L) is amended by insert-
10 ing “24A,” after “24,”.

11 (6) Section 6695(g)(2) is amended by inserting
12 “24A,” after “24,”.

13 (7) Paragraph (2) of section 1324(b) of title
14 31, United States Code, as amended by the pre-
15 ceding provisions of this Act, is amended—

16 (A) by inserting “24A,” after “24,” and

17 (B) by inserting “7527B,” after “7527A,”.

18 (8) The table of sections for subpart A of part
19 IV of subchapter A of chapter 1 is amended by in-
20 serting after the item relating to section 24 the fol-
21 lowing new items:

“Sec. 24A. Monthly young adult tax credit.”.

22 (9) The table of sections for chapter 77 is
23 amended by inserting after the item relating to sec-
24 tion 7527A the following new item:

“Sec. 7527B. Monthly payments of young adult tax credit.”.

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection, the amendments made by
4 this section shall apply to taxable years beginning
5 after December 31, 2023.

6 (2) MONTHLY ADVANCE YOUNG ADULT PAY-
7 MENTS.—The amendments made by subsection (b)
8 shall apply to calendar months beginning after De-
9 cember 31, 2023.

10 **SEC. 3. OUTREACH CAMPAIGN.**

11 (a) IN GENERAL.—The Secretary of the Treasury, in
12 coordination with local community-based organizations,
13 shall conduct an outreach campaign to—

14 (1) provide information to the public regarding
15 the young adult tax credit under section 24A of the
16 Internal Revenue Code of 1986, as added by this
17 Act, and

18 (2) assist individuals with claiming such credit.

19 (b) METHODS.—With respect to the outreach cam-
20 paign described in paragraph (1), the Secretary shall—

21 (1) provide relevant information on the public
22 website of the Internal Revenue Service, and

23 (2) send direct mailings to individuals who have
24 been identified as eligible for such credit for the tax-
25 able year.

1 (c) OUTREACH TO UNDERREPRESENTED POPU-
2 LATIONS.—In carrying out the outreach campaign de-
3 scribed in paragraph (1), the Secretary shall prioritize
4 outreach to members of populations which are less likely
5 than the general population to file taxes or have bank ac-
6 counts.