



February 9, 2021

The Honorable Mitt Romney  
124 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Romney:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to thank you for introducing The Family Security Act. Your legislation would simplify the tax code, convert the Child Tax Credit (CTC) into a monthly benefit for families, and make the CTC more generous in a deficit-neutral manner by eliminating the regressive state and local tax (SALT) deduction.

Last month, NTU wrote about its many concerns with the Biden administration's \$1.9-trillion COVID relief plan. Though our top concern is the nearly \$2 trillion this plan would add to the national debt, we also expressed concern that a deficit-financed CTC expansion would transfer too many benefits to wealthy families to justify its inclusion in a COVID relief package.

The Family Security Act is *not only* deficit-neutral, allaying our concerns with CTC expansion in the Biden plan, but it makes several other pro-growth, pro-taxpayer changes, including:

- Simplifying the tax code by eliminating the Child and Dependent Care Tax Credit (CDCTC) in exchange for a more generous CTC; this will also be better for middle-class families, given wealthier Americans currently receive a higher proportion of benefits from the CDCTC than the CTC.<sup>1</sup>
- Converting the CTC from an annual benefit of \$3,000 per child to a monthly benefit of \$250 per child; families will no longer have to wait for one lump sum payment of CTC when they file their taxes.
- Making the CTC more generous for families with children aged 0 to 5 (raising the value of the credit from \$2,000 per child per year to \$4,200 per child per year), helping families with newborns and infants.
- Paying for the more generous CTC by eliminating CDCTC, the Temporary Assistance for Needy Families (TANF) program that even progressives acknowledge is deeply flawed,<sup>2</sup> and the highly regressive SALT deduction that benefits wealthy families in high-tax states.<sup>3</sup>

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<sup>1</sup> See: Crandall-Hollick, Margot L., and Boyle, Conor F. "Child and Dependent Care Tax Benefits: How They Work and Who Receives Them." Congressional Research Service, Updated February 1, 2021. Retrieved from: <https://crsreports.congress.gov/product/pdf/R/R44993> (Accessed February 4, 2021.); Crandall-Hollick, Margot L. "The Child Tax Credit: How It Works and Who Receives It." Congressional Research Service, Updated January 12, 2021. Retrieved from: <https://crsreports.congress.gov/product/pdf/R/R41873> (Accessed February 4, 2021.)

<sup>2</sup> Vallas, Rebecca, and Boteach, Melissa. "Top 5 Reasons Why TANF Is Not a Model for Other Income Assistance Programs." Center for American Progress, April 29, 2015. Retrieved from: <https://www.americanprogress.org/issues/poverty/news/2015/04/29/112034/top-5-reasons-why-tanf-is-not-a-model-for-other-income-assistance-programs/> (Accessed February 4, 2021.)

<sup>3</sup> Tax Policy Center. (September 24, 2018). "T18-0140 - Repeal \$10,000 Limit on Deductible State and Local Taxes; Baseline: Current Law; Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018." Retrieved from:

It is rare to find tax legislation that simplifies the code, is generous to middle-class families, eliminates inefficient programs, and eliminates regressive tax benefits. The Family Security Act manages to accomplish all of the above.

We believe this legislation would be a significant improvement over President Biden's current plans for the CTC. NTU is pleased to work with you and your office as you build support for your bill.

Sincerely,

Andrew Lautz  
Policy and Government Affairs Manager

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<https://www.taxpolicycenter.org/model-estimates/peal-10000-state-and-local-tax-salt-deduction-limitation-sep-2018/t18-0140-peal>  
(Accessed February 4, 2021.)