

119TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to make new child payments,
to provide for American Dream Accounts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. GALLEGUO introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to make
new child payments, to provide for American Dream
Accounts, and for other purposes.

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 “Strong Start Act”.

5 **SEC. 2. NEW CHILD PAYMENTS.**

6 (a) IN GENERAL.—Subchapter B of chapter 65 of the
7 Internal Revenue Code of 1986 is amended by adding at
8 the end the following new section:

1 **“SEC. 6436. NEW CHILD PAYMENTS.**

2 “(a) IN GENERAL.—An eligible taxpayer shall be al-
3 lowed a credit in the amount determined under subsection
4 (b) with respect to each eligible new child of the eligible
5 taxpayer which shall be paid by the Secretary not later
6 than 30 days after the date in which the eligible taxpayer
7 files a claim for such credit.

8 “(b) AMOUNT.—

9 “(1) IN GENERAL.—The amount of the credit
10 under this subsection with respect to each eligible
11 new child shall be \$3,000.

12 “(2) INFLATION ADJUSTMENTS.—

13 “(A) IN GENERAL.—In the case of a tax-
14 able year beginning in a calendar year after
15 2025, the \$3,000 dollar amount in paragraph
16 (1) shall be increased by an amount equal to—

17 “(i) such dollar amount, multiplied by
18 “(ii) the cost-of-living adjustment de-
19 termined under section 1(f)(3) for the cal-
20 endar year in which the taxable year be-
21 gins, determined by substituting ‘calendar
22 year 2024’ for ‘calendar year 2016’ in sub-
23 paragraph (A)(ii) thereof.

24 “(B) ROUNDING.—If any amount after ad-
25 justment under the preceding sentence is not a

1 multiple of \$10, such amount shall be rounded
2 to the next lower multiple of \$10.

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) ELIGIBLE TAXPAYER.—

5 “(A) IN GENERAL.—The term ‘eligible tax-
6 payer’ means, with respect to any eligible new
7 child, any taxpayer who—

8 “(i) is the parent (within the meaning
9 of section 152(c)(4)) of the eligible new
10 child, and

11 “(ii) who has the same principal place
12 of abode as the eligible new child for the
13 period beginning on the date described in
14 paragraph (2)(A)(i) and ending on the
15 date on which a claim for the credit under
16 this section is made.

17 “(B) MORE THAN 1 PARENT CLAIMING EL-
18 IGIBLE NEW CHILD.—If the parents claiming
19 any eligible new child do not file a joint claim
20 for the credit under this section together, such
21 child shall be treated as the qualifying child
22 of—

23 “(i) the parent with whom the child
24 resided for the longest period of time de-
25 scribed in subparagraph (A)(ii), or

1 “(ii) if the child resides with both par-
2 ents for the same amount of time during
3 such period, the parent with the highest
4 adjusted gross income for the preceding
5 taxable year.

6 “(2) ELIGIBLE NEW CHILD.—

7 “(A) IN GENERAL.—The term ‘eligible new
8 child’ means any individual who—

9 “(i)(I) was born to the eligible tax-
10 payer (including through a surrogacy ar-
11 rangement) after the date of the enactment
12 of this section,

13 “(II) has not attained the age of 3
14 and was adopted by the eligible taxpayer
15 after the date of the enactment of this sec-
16 tion, or

17 “(III) who has not attained the age of
18 1 and is placed with the eligible taxpayer
19 by an authorized placement agency or by
20 judgment, decree, or other order of any
21 court of competent jurisdiction after the
22 date of the enactment of this section,

23 “(ii) is a citizen or national of the
24 United States, and

1 “(iii) who has been issued a social se-
2 curity number (as defined in section
3 24(h)(7), determined by substituting ‘of
4 the claim for a credit under section 6436’
5 for ‘of such return’ in clause (ii) thereof).

6 “(B) EXCEPTION.—Such term shall not in-
7 clude any individual with respect to whom a
8 credit has been previously allowed under this
9 section to any other person.

10 “(d) TAXPAYER IDENTIFICATION REQUIREMENT.—
11 No credit shall be allowed under this section unless the
12 eligible taxpayer has included with the claim for a credit
13 under this section the taxpayer’s identification number
14 and such identification number was issued before the date
15 the eligible new child was born or adopted by the taxpayer.

16 “(e) EXCEPTION FROM REDUCTION OR OFFSET.—
17 Any payment made to any individual under this section
18 shall not be—

19 “(1) subject to reduction or offset pursuant to
20 subsection (c), (d), (e), or (f) of section 6402 or any
21 similar authority permitting offset, or

22 “(2) reduced or offset by other assessed Federal
23 taxes that would otherwise be subject to levy or col-
24 lection.

1 “(f) RESTRICTIONS ON TAXPAYERS WHO IMPROP-
2 ERLY CLAIMED CREDIT OR IMPROPERLY RECEIVED PAY-
3 MENT.—

4 “(1) IN GENERAL.—No credit shall be allowed
5 under this section for any taxable year in the dis-
6 allowance period.

7 “(2) DISALLOWANCE PERIOD.—For purposes of
8 paragraph (1), the disallowance period is—

9 “(A) the period of 120 calendar months
10 after the most recent calendar month for which
11 there was a final determination that the tax-
12 payer’s claim of credit under this section was
13 due to fraud, and

14 “(B) the period of 24 calendar months
15 after the most recent calendar month for which
16 there was a final determination that the tax-
17 payer’s claim of credit under this section was
18 due to reckless or intentional disregard of rules
19 and regulations (but not due to fraud).

20 “(g) REGULATIONS.—The Secretary shall issue such
21 regulations or other guidance as the Secretary determines
22 necessary or appropriate to carry out the purposes of this
23 section, including regulations or guidance with respect to
24 the time and manner for filing a claim for the credit al-
25 lowed under this section.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subchapter B of chapter 65 of the Internal Revenue
3 Code of 1986 is amended by adding at the end the fol-
4 lowing new item:

“Sec. 6436. New child payments.”.

5 **SEC. 3. AMERICAN DREAM ACCOUNTS.**

6 (a) TRUMP ACCOUNTS RENAMED AMERICAN DREAM
7 ACCOUNTS.—

8 (1) IN GENERAL.—Each of the following provi-
9 sions of the Internal Revenue Code of 1986, as
10 amended by Public Law 119–21, is amended by
11 striking “Trump account” each place it appears and
12 inserting “American Dream account”:

- 13 (A) Section 530A.
- 14 (B) Section 128.
- 15 (C) Section 139J.
- 16 (D) Section 6434.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 530A(h)(4) of the Internal
19 Revenue Code of 1986, as added by Public Law
20 119–21, is amended by striking “Trump Ac-
21 counts” and inserting “American Dream ac-
22 counts”.

23 (B) Section 128(e) of such Code, as added
24 by Public Law 119–21, is amended by striking

1 “Trump accounts” and inserting “American
2 Dream accounts”.

3 (C) Section 6692(a)(2)(G) of such Code,
4 as added by Public Law 119–21, is amended by
5 striking “Trump accounts” and inserting
6 “American Dream accounts”.

7 (b) PERMANENT EXTENSION AND INDEXING OF INI-
8 TIAL GOVERNMENT SEED CONTRIBUTION PROGRAM.—

9 (1) EXTENSION.—Section 6434(c)(1) of the In-
10 ternal Revenue Code of 1986, as added by Public
11 Law 119–21, is amended by striking “, and before
12 January 1, 2029”.

13 (2) INFLATION ADJUSTMENT.—Section 6434 of
14 such Code, as added by Public Law 119–21, is
15 amended by adding at the end the following new
16 subsection:

17 “(j) INFLATION ADJUSTMENT.—

18 “(1) IN GENERAL.—In the case of any taxable
19 year beginning after 2026, the \$1,000 amount in
20 subsections (a) shall be increased by an amount
21 equal to—

22 “(A) such dollar amount, multiplied by
23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar
25 year in which the taxable year begins, deter-

4 “(2) ROUNDING.—Any increase determined
5 under paragraph (1) shall be rounded to the next
6 nearest multiple of \$100.”.

7 (c) ADDITIONAL GOVERNMENT CONTRIBUTIONS FOR
8 ELIGIBLE INDIVIDUALS.—

13 "SEC. 6434A. ADDITIONAL AMERICAN DREAM ACCOUNT
14 CONTRIBUTIONS.

15 “(a) IN GENERAL.—Each eligible taxpayer shall be
16 treated as making a payment against the tax imposed by
17 subtitle A for the taxable year in an amount equal to the
18 amount determined under subsection (b) with respect to
19 each qualifying child of the taxpayer.

20 "(b) AMOUNT.—

21 “(1) IN GENERAL.—The amount determined
22 under this subsection with respect to any qualifying
23 child is—

1 “(A) in the case of an eligible taxpayer
2 who is an EITC eligible taxpayer for the tax-
3 able year, the sum of—

4 “(i) \$750, plus
5 “(ii) the amount contributions during
6 the taxable year (not to exceed \$250) made
7 to the American Dream account with re-
8 spect to which the qualifying child is the
9 account beneficiary, and

10 “(B) in the case of any other eligible tax-
11 payer, \$500.

12 “(2) INFLATION ADJUSTMENT.—

13 “(A) IN GENERAL.—In the case of any
14 taxable year beginning after 2026, the \$750
15 amount in paragraph (1)(A)(i) and the \$500
16 amount in paragraph (1)(B) shall each be in-
17 creased by an amount equal to—

18 “(i) such dollar amount, multiplied by
19 “(ii) the cost-of-living adjustment de-
20 termined under section 1(f)(3) for the cal-
21 endar year in which the taxable year be-
22 gins, determined by substituting ‘calendar
23 year 2025’ for ‘calendar year 2016’ in sub-
24 paragraph (A)(ii) thereof.

1 “(B) ROUNDING.—Any increase deter-
2 mined under paragraph (1) shall be rounded to
3 the next nearest multiple of \$10.

4 “(c) REFUND OF PAYMENT.—The amount treated as
5 a payment under subsection (a) with respect to any quali-
6 fying child or the taxpayer shall be paid by the Secretary
7 to the American Dream account with respect to which
8 such qualifying child is the account beneficiary.

9 “(d) DEFINITIONS AND OTHER RULES.—For pur-
10 poses of this section—

11 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible
12 taxpayer’ means, with respect to any taxable year,
13 any taxpayer—

14 “(A) who has a dependent who is a quali-
15 fying child, and

16 “(B) whose adjusted gross income for the
17 taxable year does not exceed \$75,000
18 (\$150,000 in the case of a joint return).

19 “(2) EITC ELIGIBLE TAXPAYER.—The term
20 ‘EITC eligible taxpayer’ means, with respect to any
21 taxable year, an eligible taxpayer who is allowed a
22 credit under section 32 for such taxable year.

23 “(3) QUALIFYING CHILD.—The term ‘qualifying
24 child’ means, with respect to any taxable year, any
25 individual who—

1 “(A) is a qualifying child (as defined in
2 section 152(c)) who has not attained the age of
3 18,

4 “(B) is a United States citizen, and
5 “(C) is the account beneficiary of an
6 American Dream account.

7 “(4) OTHER RULES.—Rules similar to the rules
8 of subsections (e), (f), (h), and (i) of section 6434
9 shall apply for purposes of this section.”.

10 (2) APPLICATION WITH CONTRIBUTION LIMITS.—Section 530A(c)(2)(B)(iii) of such Code, as added by Public Law 119–21, is amended by inserting “or 6434A” after “6434”.

14 (3) TREATMENT OF DISTRIBUTIONS.—Section 530A(d)(2)(B) of such Code, as added by Public Law 119–21, is amended by inserting “or 6434A” after “6434”.

18 (4) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 of such Code, as amended by Public Law 119-21, is amended by inserting after the item relating to section 6434 the following new item:

“Sec. 6434A. Additional American Dream account contributions.”.

23 (d) ADDITIONAL CONFORMING AMENDMENTS.—

24 (1) The heading of part IX of subchapter F of
25 chapter 1 of the Internal Revenue Code of 1986, as

1 added by Public Law 119–21, is amended by striking
2 “**TRUMP ACCOUNTS**” and inserting “**AMER-**
3 **ICAN DREAM ACCOUNTS**”.

4 (2) The item relating to section 530A in the
5 table of parts for subchapter F of chapter 1 of such
6 Code, as added by Public Law 119–21, is amended
7 by striking “Trump accounts” and inserting “American
8 Dream accounts”.

9 (3) The heading of section 530A of the Internal
10 Revenue Code of 1986, as added by Public Law
11 119–21, is amended by striking “**TRUMP AC-**
12 **COUNTS**” and inserting “**AMERICAN DREAM AC-**
13 **COUNTS**”.

14 (4) The item relating to section 530A in the
15 table of sections for part IX of subchapter F of
16 chapter 1 of such Code, as added by Public Law
17 119–21, is amended by striking “Trump accounts”
18 and inserting “American Dream accounts”.

19 (5) The heading of section 530A(b) of such
20 Code, as added by Public Law 119–21, is amended
21 by striking “**TRUMP ACCOUNT**” and inserting
22 “**AMERICAN DREAM ACCOUNT**”.

23 (6) The heading of section 128 of such Code,
24 as added by Public Law 119–21, is amended by

1 striking “**TRUMP ACCOUNTS**” and inserting
2 “**AMERICAN DREAM ACCOUNTS**”.

3 (7) The item relating to section 128 in the table
4 of sections for part III of subchapter B of chapter
5 1 of such Code, as added by Public Law 119–21, is
6 amended by striking “Trump accounts” and insert-
7 ing “American Dream accounts”.

8 (8) The heading of section 139J of such Code,
9 as added by Public Law 119–21, is amended by
10 striking “**TRUMP ACCOUNTS**” and inserting
11 “**AMERICAN DREAM ACCOUNTS**”.

12 (9) The item relating to section 139J in the
13 table of sections for part III of subchapter B of
14 chapter 1 of such Code, as added by Public Law
15 119–21, is amended by striking “Trump accounts”
16 and inserting “American Dream accounts”.

17 (10) The heading of section 6434 of such Code,
18 as added by Public Law 119–21, is amended by
19 striking “**TRUMP ACCOUNT CONTRIBUTION**
20 **PILOT PROGRAM**” and inserting “**AMERICAN**
21 **DREAM ACCOUNT SEED CONTRIBUTIONS**”.

22 (11) The item relating to section 6434 in the
23 table of sections for subchapter B of chapter 65 of
24 such Code, as added by Public Law 119–21, is
25 amended by striking “Trump account contribution

1 pilot program” and inserting “American Dream ac-
2 count seed contributions”.

14 (e) COORDINATION WITH OTHER MEANS-TESTED
15 PROGRAMS.—

1 meaning of section 530A of the Internal Revenue
2 Code of 1986) of such individual and any contribu-
3 tions to the American Dream account of the indi-
4 vidual shall be disregarded for such purpose with re-
5 spect to any period before the first day of the cal-
6 endar year in which such individual attains the age
7 of 18, except that, in the case of the supplemental
8 security income program under title XVI of the So-
9 cial Security Act (42 U.S.C. 1381 et seq.) any
10 amount (including such earnings) in such American
11 Dream account shall be considered a resource of the
12 designated beneficiary to the extent that such
13 amount exceeds \$100,000.

14 (2) SUSPENSION OF SSI BENEFITS DURING PE-
15 RIODS OF EXCESSIVE ACCOUNT FUNDS.—

16 (A) IN GENERAL.—The benefits of an indi-
17 vidual under the supplemental security income
18 program under title XVI of the Social Security
19 Act shall not be terminated, but shall be sus-
20 pended, by reason of excess resources of the in-
21 dividual attributable to an amount in the Amer-
22 ican Dream account (within the meaning of sec-
23 tion 530A of the Internal Revenue Code of
24 1986) of the individual not disregarded under
25 subsection (a).

1 (B) NO IMPACT ON MEDICAID ELIGI-
2 BILITY.—An individual who would be receiving
3 payment of such supplemental security income
4 benefits but for the application of paragraph
5 (1) shall be treated for purposes of title XIX of
6 the Social Security Act (42 U.S.C. 1396 et
7 seq.) as if the individual continued to be receiv-
8 ing payment of such benefits.

9 (f) AUTOMATIC ENROLLMENT OF ELIGIBLE INDIVID-
10 UALS.—Not later than one year after the date of the en-
11 actment of this Act, the Secretary of the Treasury (or the
12 Secretary's delegate) shall establish a program to—