



April 29, 2024

The Honorable Daniel I. Werfel
Commissioner, Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Re: Internal Revenue Service, Treasury, Notice of Proposed Rulemaking (RIN-1545-BQ74)
Submitted via Federal eRulemaking Portal at <https://www.regulations.gov>.

Dear Commissioner Werfel,

The Internal Revenue Service (IRS) plays a crucial role in improving families' access to the Child Tax Credit (CTC), one of the United States' most effective policies for fighting poverty and promoting economic well-being for children and families. We are writing as members of the Automatic Benefit for Children (ABC) Coalition, a cross-cutting group of national, state, and grassroots organizations whose mission is to create a child allowance, or a guaranteed minimum income for children, that benefits all children and promotes economic and racial justice. The Coalition works to ensure the tax system is administered in a way that meets the needs of families – including families with low incomes; Black, Latinx, and other families of color; immigrant families; families living in U.S. territories; individuals who need an ITIN; families with limited English proficiency; filers contending with safety risks due to domestic violence; single heads of household; families experiencing homelessness; youth with experience in foster care; and families with disabilities.

We write to you in support of the data disclosure from the IRS to the Bureau of the Census (Census) outlined in this NPRM because we believe it is crucial for the IRS's efforts to advance equity. If finalized, this rule will provide an important opportunity for government and independent researchers to understand demographic trends in the uptake of the CTC and other refundable credits, as well as to identify and track potential disparities in tax administration. The additional information provided from 1099 MISC and 1099 NEC forms will also allow analysis on economic security for workers in the gig economy, some of whom do not claim credits that they are entitled to. This analysis can provide findings that will allow the IRS to improve credit uptake by better targeting outreach and providing resources to communities who face barriers to accessing refundable credits.

This research capacity building is especially important given that previous IRS and Census collaboration has made possible research on racial disparities in auditing by using imputation methods.¹ In your testimony before the Senate Finance committee on April 16, 2024, you noted that the IRS is working to set up the data infrastructure with Census to help evaluate potential racial disparities in tax administration. More robust sharing of administrative data is a crucial part of that infrastructure.² Administrative data is an important resource for understanding ways that

¹ Janis Bowdler, "Treasury Actions Aligned with TACRE Recommendations," *U.S. Department of the Treasury*, 7 December 2023. Available at: <https://home.treasury.gov/system/files/136/Treasury-Actions-Aligned-TACRE-Recommendations.pdf>.

² Michael Nutter and Felicia Wong, "TACRE Data and Research Subcommittee Recommendations," *Treasury Advisory Committee on Racial Equity*, 3 July 2023. Available at: https://home.treasury.gov/system/files/136/TACRE_SubCommittee_Recommendations_July2023.pdf.

public systems can better serve communities, and should be combined with efforts to enhance the prevalence of self-reported demographic data.

In order to ensure privacy is protected, in its finalized form, the rule should state affirmatively that, in addition to IRS data privacy protections, data are and will remain confidential under Title 13, United States Code, Section 9, whether in their original form or when comingled or linked.³

Thank you for your work to advance equity through the use of data.

Sincerely,

Center for Law and Social Policy (CLASP)
Center for the Study of Social Policy
Children's HealthWatch
Coalition on Human Needs
Economic Security Project
GRACE/End Child Poverty CA
Greater Boston Legal Services
Institute on Taxation and Economic Policy
Instituto del Desarrollo de la Juventud
Prosperity Now
Save the Children
Shriver Center on Poverty Law
The Arc of the United States
UnidosUS

³ See 89 FR 16720. Available at : <https://www.federalregister.gov/documents/2024/03/08/2024-04998/agency-information-collection-activities-submission-to-the-office-of-management-and-budget-omb-for>.