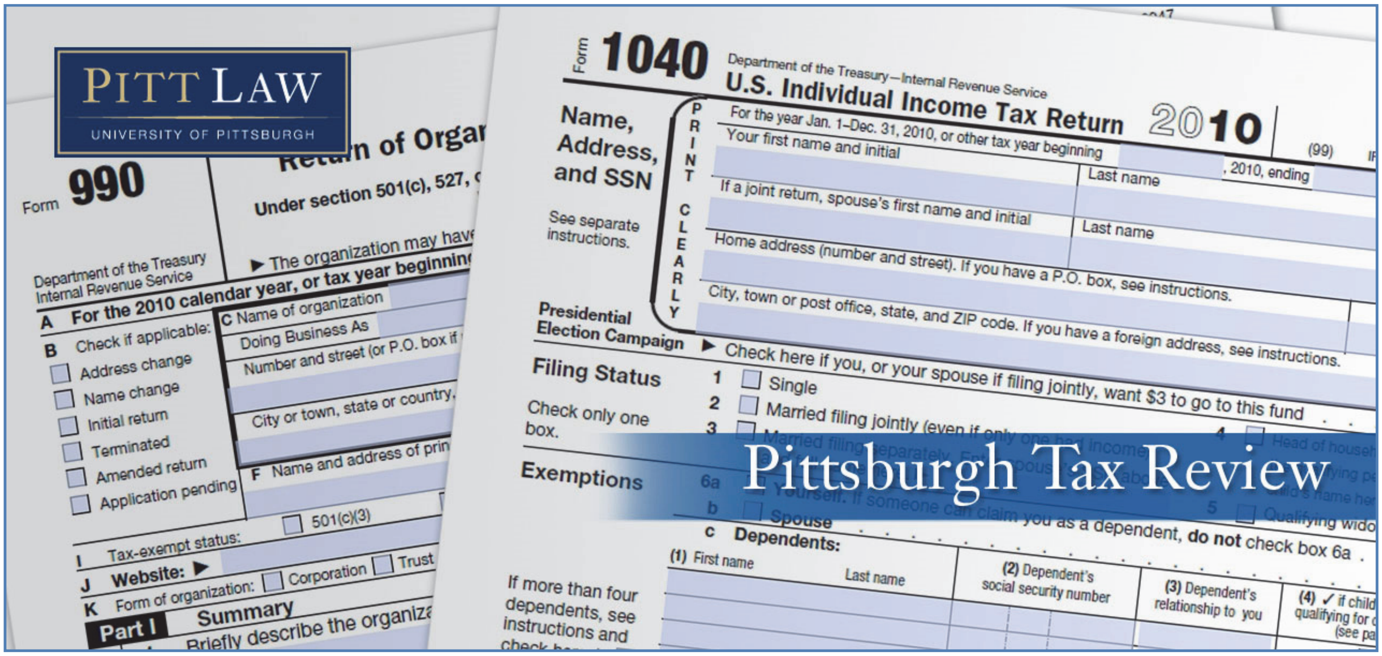

Volume 22 (2025) | ISSN 1932-1821 (print) 1932-1996 (online)
DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

A TALE OF TWO CREDITS

Susannah Camic Tahk

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Susannah Camic Tahk[*]

INTRODUCTION

> "I'd love to see a child tax credit that's $5,000 per child."[1]
>
> "I will expand the Child Tax Credit to $6,000 for the first year of a child's life—helping families buy things like a car seat, clothes, or crib.[2]

Those two quotes came from opposing candidates in the 2024 presidential election. You might have surmised that the first and more broadly available plan came from the Democratic nominee, but in fact, the source is Republican now vice-president-elect J.D. Vance. In the interview, with *Face the Nation* in August of 2024, Vance added, "President Trump has been on the record for a long time supporting a bigger child tax credit, and I think you want it to apply to all American families."[3]

Explaining why both 2024 presidential campaigns openly embraced the "Child Tax Credit (CTC)" at least in part involves public opinion. In 2024, nonpartisan survey researchers found that 72% of U.S. adult citizens strongly or somewhat supported expanding eligibility for the child tax credit among

[*] Professor of Law, University of Wisconsin Law School. Thanks to the Arthur Andersen Tax, Real Estate and Corporate Law Fund in honor of Harry V. Ruffalo at the University of Wisconsin Law School for support; to the wonderful staff at the University of Wisconsin Survey Center; particularly Nadia Assad, to the incredible team at the University of Wisconsin Law Library; particularly Jenny Zook; to Alex Tahk for help with data analysis and graphics; and to Chas Camic for characteristically perspicacious discussion and comments. All errors are my own.

[1] Aimee Picchi, *JD Vance Wants a $5,000 Child Tax Credit, or 150% More Than the Current CTC. Here's What to Know*, CBS NEWS (Aug. 12, 2024, 3:54 PM), https://www.cbsnews.com/news/jd-vance-child-tax-credit-5000-what-to-know/.

[2] Selena Simmons-Duffin, *What You Need to Know About the Child Tax Credit as Both Campaigns Embrace It*, NPR (Aug. 15, 2024, 4:05 PM), https://www.npr.org/2024/08/15/nx-s1-5074121/child-tax-credit-explained-jd-vance-kamala-harris.

[3] Picchi, *supra* note 1.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

lower-income families.[4] Only 13% opposed.[5] A different poll in the same period showed 69% of Americans supporting the credit across party lines.[6] Four in five Democrats favored the credit, as did nearly two in three independents and three in five Republicans.[7] The CTC was a centerpiece of federal pandemic relief, and the 2024 tax legislative proposal that passed the House and nearly the Senate included a significant child tax credit expansion.[8] As tax professor Shannon Weeks McCormack recently wrote, "[t]he child tax credit is having a moment."[9]

But, where is the Earned Income Tax Credit (EITC) in all of this?[10] Longtime tax policy observers might remember similar heralding of the EITC as the miracle anti-poverty program able to attract bipartisan enthusiasm even as public support for cash welfare waned. In his historical look at the EITC, Professor Dennis Ventry observed its broad appeal; since its enactment in the 1970s, the EITC has "appeared to politicians an attractive, work–oriented alternative to existing welfare programs."[11] In the decades that followed, the EITC has grown in a variety of political climates: Republican and Democratic presidential administrations, houses of Congress controlled by both parties, times of relative unity and even periods of partisan

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[4] David Montgomery, *The Election, the Economy, and Child Tax Credits: August 4–6, 2024 Economist/YouGov Poll*, YOUGOV (Aug. 9, 2024, 3:07 PM), https://today.yougov.com/politics/articles/50300-election-economy-child-tax-credits-august-4-6-2024-economist-yougov-poll.

[5] *Id.*

[6] Bryan Bennett, *Seven in Ten Americans Support Expanding and Improving the Child Tax Credit*, NAVIGATOR (Feb. 6, 2024), https://navigatorresearch.org/seven-in-ten-americans-support-expanding-and-improving-the-child-tax-credit/.

[7] *Id.*

[8] Clare Foran et al., *Senate GOP Blocks Tax Bill as Democrats Spotlight Child Credit in Election-Year Push*, CNN (Aug. 1, 2024, 2:59 PM), https://www.cnn.com/2024/08/01/politics/senate-tax-bill-vote/index.html.

[9] Shannon Weeks McCormack, *America's Failure to Rescue Parents: A Narrative of Inequitable Tax "Reform,"* U.C.L.J. (forthcoming).

[10] I.R.C. § 32.

[11] Dennis J. Ventry, Jr., *The Collision of Tax and Welfare Politics: The Political History of the Earned Income Tax Credit, 1969–99*, 53 NAT'L TAX J. 983, 983 (2000).

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

gridlock.[12] Yet, the earned income tax credit seems largely missing from the current political discourse. What happened to it?

The EITC's absence from today's public debate raises a more general question about its relationship to the CTC. Are the two credits friends or enemies? A slightly distinct way to formulate the inquiry is to ask, what might account for the CTC's recent relative political ascent, and did that rising tide lift the EITC's boat simultaneously?

Curiosity about the political trajectories of the two credits relative to each other stems in part from my work exploring the growing use of the federal tax code to combat poverty and to further social policy goals more generally. In my 2012 piece *Everything is Tax*, I identified this phenomenon and considered reasons for it.[13] Then, in 2014, in *The Tax War on Poverty*, I narrowed the focus to the tax code's anti-poverty provisions and evaluated how well they work relative to their non-tax counterparts, namely, cash welfare and in-kind assistance.[14] Since I started studying the comparative advantages and disadvantages of tax-based programs, the federal government's preference for them seems only to have increased. For that reason, the relevant analysis is now less about how various tax programs do when stacked up next to non-tax programs, and more how various tax programs do stacked up next to each other. This Essay is among the first to investigate this question. It takes up the issue of whether the political advantages of tax-based anti-poverty policies might accrue across the different programs, or whether in fact they now must compete for a small pool of political capital.

One way to conceptualize the potential relationship between the two credits studied here is to use a set of ecological metaphors. Biologists speak of several ways to think about how different species relate to each other within an ecosystem. In particular, the relationships fall into four potential types. The first three fall under the broader umbrella of "symbiosis." One type of relationship is (1) "mutualism," in which "growth and survival of

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[12] Susannah Camic Tahk, *The Tax War on Poverty*, 56 ARIZ. L. REV. 791, 804–05 (2014).

[13] *See generally* Susannah Camic Tahk, *Everything Is Tax*, 50 HARV. J. LEGIS. 67, 67 (2013).

[14] *See generally* Tahk, *supra* note 12.

both populations is benefitted."[15] In a mutualistic relationship between two species, we might expect the population trend lines for both to go up. An example from biology is the dynamic relationship between certain ants and fungi.[16] The ant larvae can eat only one kind of fungi, and the fungi cannot survive without the ants to provide it with digested leaf material and keep it free from pests.[17] If the ants do well, the fungi do well, and vice versa.

The second subcategory of symbiosis is (2) "commensalism," an "interaction in which one individual benefits while the other is neither helped nor harmed."[18] In a commensal relationship, a trend line mapping one population might go up while the other stays steady. For example, in rainforests, orchids grow on the branches of certain trees to reach the needed light. However, the presence of the orchids does not affect the trees.[19] Even if the orchid population thrives, the number of trees might not change.

The third category is (3) "parasitism."[20] Parasitism occurs when one individual, the parasite, benefits from another individual, the host, while harming the host in the process.[21] On a graph, the trend line of one population might go up while the other goes down. One example is the species of flatworms whose members feed on certain aquatic snails.[22] Infected snails will remain on the tops of rocks in streams, even though the tops have less food and they are vulnerable to waterfowl attacks.[23] A decline in the flatworm population should lead the snails to get off the rock tops and the species to flourish.

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[15] OXFORD UNIV. PRESS, MUTUALISM 3 (Judith L. Bronstein, 2015).

[16] Jennifer M. Lang & M. Eric Benbow, *Species Interactions and Competition*, 4 NATURE EDUC. KNOWLEDGE, no. 4, 2013, at 5.

[17] *Id.*

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] Lang & Benbow, *supra* note 16.

[22] *Id.*

[23] *Id.*

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

In contrast to the three types of symbiosis, under (4) "competition," different species "vie for a common resource that is in limited supply."[24] The definition of a competitive relationship between populations is one in which "direct or indirect interaction of organisms . . . leads to a change in fitness when the organisms share the same resource."[25] Two population trend lines plotted next to each other would likely trend down. One example might be when brown bears "usurp" moose calf kills from wolves to eat the moose remains themselves.[26] Success on the part of the brown bear population would reduce the wolf population.[27] There is a rich literature applying ecological metaphors to the study of organizations, although, as far as I know, this Essay is the first to employ such an analogy to tax law. Yet, it is a useful way to envision the way two policies, like many of the species studied in nature, rely on the same resources, and thus may continue to affect each other's fates over time.[28]

Putting the Essay's central inquiry in these ecological terms, it becomes, to what extent is the relationship between the CTC and EITC mutual, commensal, parasitic, or competitive?[29] Each credit is like a different species, in need of resources (in this case, political ones) to survive and grow. When a social welfare loses legislative attention or public support, it will flounder. The story of cash welfare in the 1980s and 1990s is exactly that one.[30] The

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[24] *Id.*

[25] *Id.*

[26] Aimee Tallian et al., *Of Wolves and Bears: Seasonal Drivers of Interference and Exploitation Competition Between Apex Predators*, ECOLOGICAL MONOGRAPHS, May 2022, at 3, 4.

[27] *See id.*

[28] *See, e.g.*, Michael T. Hannan & John H. Freeman, *The Population Ecology of Organizations*, 2 AM. J. SOCIO. 929, 929–64 (1977); *see also* Arjen Van Witteloostuijn, *The Ecology of Law*, 31 INT'L J. SOCIO. L. 55 (2003) (arguing that ecological models along the lines of Hannan and Freeman's should be used more widely in the study of statutes). *See generally* Mark C. Suchman & Lauren B. Edelman, *Legal Rational Myths: The New Institutionalism and the Law and Society Tradition*, 21 L. & SOC. INQUIRY 903 (1996) (considering more broadly the relationship between law, organizational sociology and the law and society tradition).

[29] "Some of each" is not, as far as I understand it, standard in nature, but may in fact be in social policy.

[30] *See, e.g.*, MARTIN GILENS, WHY AMERICANS HATE WELFARE 26–28 (1999) (explaining data that "support the popular impression that Americans are uniquely hostile toward, or at least uniquely unsupportive of, government responsibility for social welfare").

central dynamic in the relationship between the credits is that both rely on the same pool of political resources. To what extent do they symbiotically help each other grow within it, and to what extent is theirs a tale of zero-sum competition?

Insofar as the literature has even an implicit view about the credits' comparative trajectories, the CTC emerges as the winner in an at least somewhat competitive dynamic. Professor McCormack calls the CTC, particularly its nonrefundable component, Congress's "golden child."[31] She writes that when Congress "expands benefits for nonpoor parents, this is their 'go to' benefit."[32] Congress "expands this benefit with relative frequency and when it does so, makes expansions that go well beyond what is required to adjust for inflation."[33] In Professor McCormack's view, Congress "seems to rest on the EITC's laurels when thinking about whether to make the golden child tax credit and working childcare benefits refundable, exhibiting consistent skepticism and even hostility towards doing so."[34] Language like "favorite" and "golden child" connote some kind of comparative advantage for the CTC. Yet even Professor McCormack's story leaves room for several of the ecological patterns. In her narrative, the nonrefundable CTC is certainly growing, but the EITC could be like the fungi, able to take advantage of the burgeoning ant population to grow itself. The EITC could also be like a forest holding steady and supporting the orchid-like CTC's rise, a group of aquatic snails drained by flatworms and left to die on a rock, or a wolf pack fighting with a sleuth of brown bears over a dwindling supply of dead baby moose.

Why is the relationship important? Accounts of the U.S. welfare state often conceive of its political support as inherently limited, a metaphorical small heap of moose carcasses.[35] Programs with anti-poverty missions face a

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[31] McCormack, *supra* note 9, at 10.

[32] *Id.* at 11.

[33] *Id.*

[34] *Id.* at 41.

[35] *See, e.g.*, MOLLY C. MICHELMORE, TAX AND SPEND: THE WELFARE STATE, TAX POLITICS AND THE LIMITS OF AMERICAN LIBERALISM 3 (2012); JASON DEPARLE, THE AMERICAN DREAM: THREE WOMEN, TEN KIDS, AND A NATION'S DRIVE TO END WELFARE 127, 152 (2004); JACOB HACKER, THE DIVIDED WELFARE STATE: THE BATTLE OVER PUBLIC AND PRIVATE SOCIAL BENEFITS IN THE UNITED STATES 21 (2002); GILENS, *supra* note 30, at 3.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

restricted supply of legislative interest and public regard. Congress is only willing to spend so much time on social policy with diffuse benefits and no narrow powerful constituencies.[36] Americans hate anything that looks like welfare and will punish any program that resembles it. These old chestnuts of the social-policy literature do not describe a world in which not just one, but two substantial income support programs could flourish. Even the recent bipartisan support for the CTC itself would be somewhat puzzling, let alone the possibility that the CTC and the EITC would have achieved some sort of happy symbiosis.

Why would a potential symbiosis be so important? In the early 2000s, Professor Ventry summarized the extent to which the United States has historically had to make a choice between programs that apply across the income distribution, which, as this Essay will discuss, now include the CTC and ones that focus more narrowly on lower incomes, which now better describes the EITC. He describes the "fundamental social policy conundrum of the last thirty years; that is, whether to favor programs with high budgetary costs (i.e., high break-even points), less-targeted benefits, and small marginal labor supply disincentives, or those with low budgetary costs (i.e., low break-even points), more-targeted benefits, and large marginal labor supply disincentives."[37]

Is that still a conundrum? Does the U.S. political system have to pick, or can we have a little of both? This Essay purports to consider those questions. To conduct the relevant analysis, this Essay proceeds in three parts. Part I will consider the comparative recent histories of the two provisions, looking at legislative history and data about the number of participants and costs of both. This Part allows us to plot side-by-side, as biologists do populations, the two programs' growth curves. Part II weighs a different kind of comparison. This part presents novel data from a survey experiment exploring relative attitudes towards two provisions. Subpart (a) presents the method and Subpart (b) the findings. Then, Part III evaluates the

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[36] *See* James Q. Wilson, *The Politics of Regulation*, 9 ACAD. MGMT. REV. 361 (1984). For later development of this theory, *see, e.g.*, Michael D. Reagan, *The Politics of Regulatory Reform*, 36. W. POL. Q. 149 (1983); Elaine B. Sharp, *The Dynamics of Issue Expansion: Cases from Disability Rights and Fetal Research Controversy*, 56 J. POL. 919 (1994); B. Dan Wood & Richard W. Waterman, *The Dynamics of Political Control of the Bureaucracy*, 85 AM. POL. SCI. REV. 801 (1991); B. Dan Wood, *Does Politics Make a Difference at the EEOC?*, 34 AM. J. POL. SCI. 503 (1990).

[37] Ventry, *supra* note 11, at 984.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

evidence offered thus far to assess the extent to which the credits' relationship falls into each of the ecological categories. Subpart (a) will discuss any elements of what I labeled above as the type (4) biological relationship, competition; Subpart (b) will assess the potential relevance of type (3), parasitism; Subpart (c) will consider type (2), commensalism; and Subpart (d) will investigate any dimensions of type (1), mutualism. The conclusion, as conclusions do, concludes.

I. Relative Change Over Time

The EITC and CTC have both changed substantially over the past ten years. In this Part I, this Essay will describe their relative political trajectories. Before moving forward with that task, it will briefly outline the differences between the two credits.

Enacted in 1975, the EITC is primarily aimed at providing financial relief to low- and moderate-income workers, with particular attention given to those with children. It incentivizes work by increasing after-tax income.[38] In contrast, the CTC focuses on supporting families with children by reducing the tax burden and providing additional resources to help with child-rearing expenses.[39]

The two credits differ in design. On top of the legislative history, data about how many people take advantage of the two credits and how much the federal government spends on them provides an additional way to consider relative political trajectories of both. Most significantly, the CTC reaches further up the income scale, to the point of being a near-universal child benefit.[40] In addition, while the CTC explicitly requires a "qualifying child," the EITC has provisions for both workers with and without children, though

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[38] *Earned Income Tax Credit (EITC)*, INTERNAL REV. SERV. (Feb. 28, 2025), https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit-eitc; *see also* Ventry, *supra* note 11, at 983.

[39] *Child Tax Credit*, INTERNAL REV. SERV. (Jan. 21, 2025), https://www.irs.gov/credits-deductions/individuals/child-tax-credit.

[40] Elaine Maag, *17 Million Children in Low-Income Families Will Not Receive the Full Child Tax Credit in 2025*, TAX POL'Y CTR. (Dec. 10, 2024), https://taxpolicycenter.org/taxvox/17-million-children-low-income-families-will-not-receive-full-child-tax-credit-2025.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

the credit is larger for those with children.[41] The EITC is fully refundable, meaning if the credit exceeds the amount of taxes owed, the taxpayer receives the difference as a refund.[42] The CTC is only partially refundable, and its refundable portion is called the Additional Child Tax Credit ("ACTC").[43] While calculating the EITC requires recipients to have earned income, the same is not true for the CTC.[44] On the other hand, the CTC's refundability can depend on having at least some income (except under expanded provisions like the 2021 changes, described below), which does preclude a significant number of low-income families from obtaining the credit.[45] The amount of the EITC depends on income level, number of qualifying children, and filing status, whereas the CTC offers a flat amount per qualifying child (e.g., $2,000 per child under current law), subject to phase-outs based on income.[46]

A. Legislative History

Since 2015, Congress has legislated about the CTC and EITC a number of times. In fact, Congress amended the two provisions of the Code that govern these two programs more often than all but two other Code sections.[47] Often, Congress made similar changes to both in the same bill.

However, Congress did turn its attention somewhat more often, and in more significant ways, to the CTC. Since 2015, Congress has taken up Section 24, the CTC's Code section, fifteen times.[48] As Professor McCormack explains,

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[41] I.R.C. §§ 24(c)(1), 32(b)(1).

[42] *See generally* I.R.C. § 32.

[43] I.R.C. § 24(d).

[44] I.R.C. § 32(c)(1).

[45] Maag, *supra* note 40, ¶ 4.

[46] I.R.C. §§ 24(h)(2), 32(b).

[47] Susannah Camic Tahk, The Tax Separation of Powers 26–28 (Feb. 26, 2024) (unpublished manuscript) (on file with the Social Science Research Network).

[48] *Id.*

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> Congress really likes a benefit it created in the late 1990s, located in Section 24 of the Code. It is called the Child Tax Credit, or CTC for short. But we need to be more specific. Congress really likes the non-refundable portion of the CTC benefit—that is, the portion of the CTC benefit available to parents that earn enough income to have positive tax liabilities. Why do I say that the NRP-CTC is Congress' golden child? When Congress expands benefits for nonpoor parents, this is their "go to" benefit. Congress expands this benefit with relative frequency and when it does so, makes expansions that go well beyond what is required to adjust for inflation. Even a brief history reveals a lot.[49]

During this period, as Professor McCormack observed, the maximum child credit amount increased, rising from $1,000 per child prior to 2018 to up to $2,000 per child from 2018 through 2025.[50] The amount that taxpayers can receive as a refund is limited based on the amount by which income exceeds $2,500.[51] In addition, since 2017, the refundable portion of the credit has been capped at $1,400 per child, further limiting the potential benefits of the credit for the children of low-income taxpayers.[52] Legislation also imposed some new limits, in two cases extending to the CTC restrictions (on tax preparer diligence and in dispute proceedings) that had previously only applied to the EITC.[53]

Then, the pandemic brought additional short-term changes. Specifically, in March 2021, in the American Rescue Plan Act, or "ARPA," Congress temporarily increased the credit to $3,600 for children up to age five and $3,000 for children from ages six through seventeen.[54] For that year, Congress also temporarily removed the limits on the credit's refundability, turned the credit payable in advance of filing a tax return, and introduced some other edits aimed at making the credit more widely available during the pandemic.[55] Professor McCormack summarized the effect of these changes:

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[49] McCormack, *supra* note 9, at 10–11.

[50] Jacob Goldin & Ariel Jurow Kleiman, *Whose Child Is This? Improving Child-Claiming Rules in Safety-Net Programs*, 131 YALE L.J. 1719, 1730 (2022).

[51] I.R.C. § 24(d)(1)(B)(i), (h)(6).

[52] *Id.*

[53] Protecting Americans from Tax Hikes Act of 2015, Pub. L. No. 114-113, § 206, 129 Stat. 3040, 3082–83 (2015).

[54] American Rescue Plan Act of 2021, Pub. L. No. 117-2, § 9611, 135 Stat. 4, 144–45 (2021).

[55] *Id.*

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> Signed into law on March 11, 2021, the ARPA provided much needed relief to families attempting to maintain jobs and care for children during the pandemic. As is America's tendency, the ARPA leaned extensively on the Internal Revenue Code to do so, expanding the tax benefits already available to certain groups of parents. But it also made a myriad of historically significant adjustments that broke out of Congress' traditional patterns, expanding childcare tax benefits aimed at nonpoor working families (e.g., dual earning and solo parents but not one breadwinners), which it has traditionally neglected, and even providing benefits for poor parents, towards which it has been historically hostile. Finally, for the first time in history, the ARPA: (i) made the CTC fully refundable; (ii) untethered the refundable CTC benefit from work requirements; (iii) allowed some monthly payments instead of making taxpayers receive payments in an annual lump sum; and (iv) made the increased benefits available to defray working childcare costs fully refundable.[56]

However, as she further observed, this "was all short-lived. These expanded tax benefits have now expired, reverting the Code back to its pre-pandemic state. And while there initially seemed to be strong momentum towards resurrecting the ARPA's expansions in the ultimately ill-fated Build Back Better Act, these hopes are now extinguished—not a single [ARPA] expansion [has] survived."[57]

In addition to the major temporary widening, Congress legislated regarding the CTC several more times during the studied period, both in expansionary and limiting ways. For instance, the 2017 Tax Cuts and Jobs Act (TCJA) temporarily increased the credit to $2,000 per qualifying child and provided a $500 nonrefundable credit for non-child dependents.[58] The bill also required that, to receive the credit for a qualifying child, a taxpayer must include the Social Security number of the child on the tax return claiming the credit.[59] Congress also lowered the earned-income threshold for

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[56] McCormack, *supra* note 9, at 5, 56.

[57] *Id.* at 5.

[58] Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97, § 11022, 131 Stat. 2054, 2073 (2017).

[59] *Id.*

taking the credit to $2000/year,[60] having permanently lowered it from $10,000 to $3000/year in the 2015 PATH Act.[61]

Now, Congress has not ignored the EITC in recent years. While the EITC received no truly substantial expansion along the lines of ARPA's CTC provisions, Congress has attended to the EITC thirteen times since 2015.[62] In some cases, if Congress revised the CTC, the same legislation also amended the EITC in a way that matched the direction of the change, if not the substance. For instance, the 2021 pandemic response bill temporarily reduced the EITC's minimum qualifying age for a taxpayer with no children from twenty-five to nineteen in most cases, and it reduced the maximum qualifying age altogether.[63] That bill also increased the percentages and maximum amounts of earned income taken into account to calculate the credit, as well as the maximum amounts of the credit itself.[64] 2015's PATH Act, which permanently lowered the CTC's earned income threshold, also increased the EITC rate 45% for taxpayers with three or more qualifying children.[65]

Sometimes, Congress in fact amended the two provisions in precisely the same way. For example, an early pandemic response bill allowed potential recipients of both credits to use 2019 income to calculate 2020 refundable credits, a change that was to help those whose pandemic incomes were smaller than would have been the case in a non-COVID year. For another example in the reverse direction, the PATH Act provision preventing successful CTC claims if the filer received an identification number too late applied in exact wording to the EITC as well.[66]

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[60] *Id.*

[61] Protecting Americans from Tax Hikes Act of 2015, Pub. L. No. 114-113, § 101, 129 Stat. 3040, 3044 (2015).

[62] Tahk, *supra* note 47, at 28.

[63] American Rescue Plan Act of 2021, Pub. L. No. 117-2, § 9621, 135 Stat. 4, 152 (2021).

[64] *Id.*

[65] Protecting Americans from Tax Hikes Act of 2015, Pub. L. No. 114-113, § 103, 129 Stat. 3040, 3044–45 (2015).

[66] *See id.* at 3078–81.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

In sum, in recent years, Congress has been a little, but just a little, more active in legislating about the CTC than about the EITC. However, when using the Code to provide a substantial temporary pandemic benefit, Congress looked only to the CTC. The legislative history says nothing about the relative impact of that change on how many people took each of the credits or on how much of a total subsidy each of the credits provided. For that, Subpart (b) turns to data on both of those points.

B. Participation and Cost

On top of the legislative history, data about how many people take advantage of the two credits and how much the federal government spends on them provides an additional way to consider relative political trajectories. Tracking legislative changes offers a way to look at political activity directly, but comparing the size of the credits also speaks to their political valences and how large a place they occupy in the federal budget, and the public consciousness. To study this, I gathered and plotted all available data—unfortunately, as of the time of the research, only through 2021—that the IRS makes public about the number of returns filed claiming each credit and the total costs of each credit.[67] The results appear on the chart below.

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[67] I.R.S. Pub. No. 1304, Individual Income Tax Returns: Complete Report (2022), https://www.irs.gov/pub/irs-pdf/p1304.pdf.

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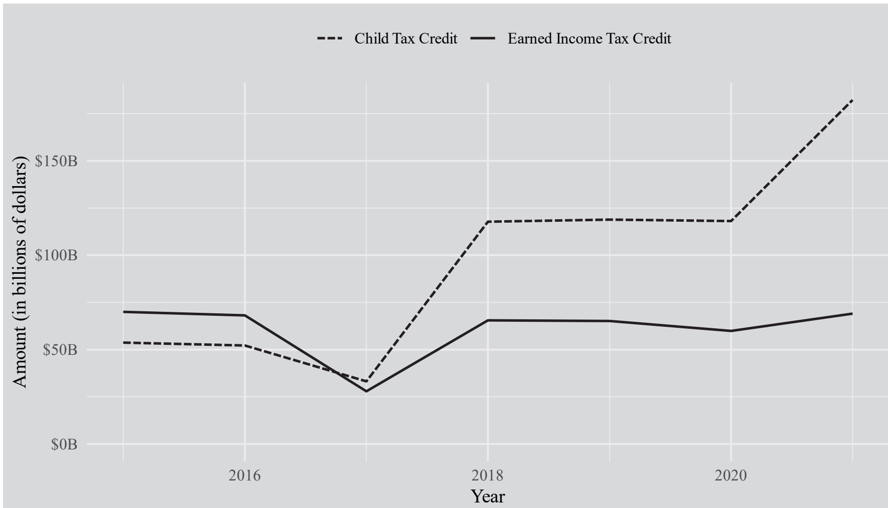
Figure 1: Total dollar amount of credits by year



Looking at the trend lines, several notable items emerge. Most notably, during the period studied, in terms of program size, in nominal terms, the CTC went from being the EITC's smaller sibling to far eclipsing the older credit. In 2015, the CTC cost the federal government $54.3 billion and the EITC $68 billion. By 2021, the total size of the CTC had risen to $182 billion while the EITC stayed relatively steady at $69 billion. In fact, measured in real terms, the total value of the EITC has started to decline.[68]

Perhaps even more significantly, while the 2021 gap clearly reflects the temporary pandemic CTC expansion, the credits in fact switched places relative to their size in 2017 and significantly so in 2018. That shift presumably reflects the fact that 2017's TCJA doubled the overall maximum CTC amount and more than tripled the income level at which it begins to phase out. Additionally, that bill, commonly known as the "Trump tax cut" expanded the refundable portion of the CTC by increasing its amount from $1,000 to $1,400 per child and lowering the refundability threshold from

[68] MARGOT L. CRANDALL-HOLLICK, CONG. RSCH. SERV., R44825, THE EARNED INCOME TAX CREDIT: A BRIEF LEGISLATIVE HISTORY 16–17 (2022).

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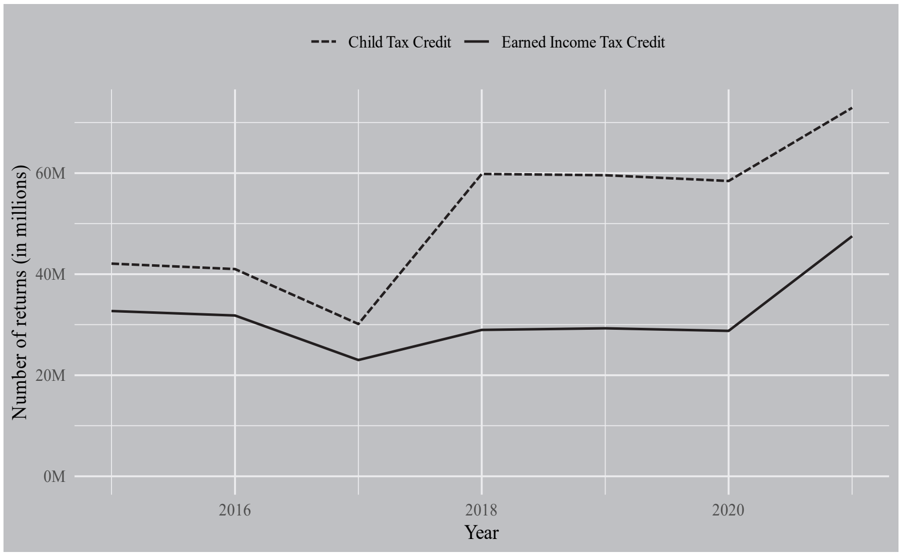
DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

$3,000 to $2,500.[69] In contrast, the TCJA made no direct changes to the EITC.[70]

And, in this period, in fact, while steady in nominal terms, in real ones, the total amount spent on the EITC had started to fall even before TCJA. The Congressional Research Service (CRS) reports a lack of clarity about why this is the case, speculating that perhaps income growth among low-wage workers over this time period has reduced the number of people qualifying for the EITC, or perhaps eligible poor taxpayers, concerned that they may be audited, are not claiming the credit.[71]

The data about program participation tell a complementary story.

Figure 2: Number of returns claiming credits by year



As the graphic above shows, throughout the studied period, the CTC consistently had more recipients than the EITC. Presumably, the different scope of the programs explains that result: CTC has always extended much

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[69] MARGOT L. CRANDALL-HOLLICK, CONG. RSCH. SERV., R41873, THE CHILD TAX CREDIT: HOW IT WORKS AND WHO RECEIVES IT 1 (2021).

[70] CRANDALL-HOLLICK, *supra* note 69, at 12.

[71] *See id.*

further into the middle-income range than the EITC. For example, in 2015, no families making more than $53,267 a year could obtain the EITC, and the credit started to phase out at $23,630 for married couples filing jointly. In contrast, in 2015, the CTC started to phase out at $110,000 for married couples filing jointly and was available to families making up to $170,000. For this reason, even at the beginning of the studied period, 42 million returns claimed the CTC, in contrast to 33 million claiming the EITC. The CRS indicates, currently, among taxpayers with children, about 90% receive the child tax credit.[72]

Throughout the period, the gap between the two credits in number of returns has continued to widen. Pre-COVID, EITC returns were holding relatively stable, while the CTC filing numbers were climbing steadily. By 2020, even before the temporary CTC expansion, 58.5 million returns claimed the CTC while only 28 million did the EITC. While both figures rose during COVID-19, the number of CTC returns rose to 72.9 million, while the EITC number only increased to 47.5 million.

Distributional effects fill in an additional piece of the comparative puzzle. The CTC has historically been, and continues to be, skewed toward the middle- and even upper-income brackets. The Tax Policy Center recently estimated that in 2022, families in the lowest income quintile were least likely to benefit from the credit because more of them did not have sufficient earnings.[73] Just under three-quarters of families in the lowest income quintile were eligible for the CTC.[74] In contrast, the percent of families with children receiving the credit and the average credit received was the highest among moderate- and middle-income families.[75] Specifically, the share of families with children claiming a CTC was 94% in the second income quintile, 98% in the third quintile, and 99% in the fourth quintile.[76]

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[72] CRANDALL-HOLLICK, *supra* note 69, at 9.

[73] *What Is the Child Tax Credit?*, TAX POL'Y CTR., https://taxpolicycenter.org/briefing-book/what-child-tax-credit (Feb. 2025).

[74] *Id.*

[75] *Id.*

[76] *Id.*

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The distributional effects of the EITC tilt poorer, an unsurprising result given the income cutoffs described above, as well as other elements of the policy's design. The CRS reports concentration of the largest EITC benefits on low-income earners near the poverty line.[77] In fact, in 2020, the $10,000-$14,999 income bracket accounted for the greatest number of EITC.[78] About half (43%) of all returns with the EITC had Adjusted Gross Income (AGIs) below $15,000.[79]

Considering the size of credit per recipient also highlights the different distributional effects of the two programs. While the CTC's statutory formula means that its size across households varies less than that of the EITC, higher-income families up to a point do in fact still receive larger CTCs. The CRS reported that, in 2018, the most recent year included in the analysis, taxpayers with children and income between $100,000 and $200,000 received the largest credit on average, about $3,040.[80] In contrast, in that year, taxpayers with children and income under $20,000 received a credit of less than $1,000 on average.[81] This result likely stems in part from the fact that, as Professor McCormack noted, most of the CTC's expansions outside of the pandemic were from its nonrefundable portion.

However, before moving on, it bears observing that while the CTC does not focus on lower-income families, it does have a substantial anti-poverty effect. The nonpartisan Tax Policy Center pointed out that the CTC "has a significant impact on the economic well-being of low-income families with children."[82] Specifically, if the official estimate of poverty counted the CTC as income, 4.3 million fewer people would have fallen below the federal poverty line in 2018, including about 2.3 million children. Counting the credit would have also reduced the severity of poverty for an additional 12 million people, including 5.8 million children."[83] As a result, the CTC is still

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[77] CRANDALL-HOLLICK, *supra* note 69, at 22.

[78] *Id.*

[79] *Id.*

[80] CRANDALL-HOLLICK, *supra* note 69, at 10.

[81] *Id.*

[82] *What Is the Child Tax Credit?*, *supra* note 73.

[83] *Id.*

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

one of the federal government's largest anti-poverty programs, even though the program does not target this group explicitly, or indeed very well.

Turning to the EITC, the size of the credit by income level again shows a relative tilt toward the bottom. Average EITC benefits first increase with AGI, then decline.[84] In 2020, families making between $20,000 and $25,000 a year received the largest average credit, $3,938.[85] The smallest average credit ($800) went to families making above $40,000 and the next-smallest ($857) to those making less than $5,000.[86] This outcome reflects the statutory formula as well as a difference in the mix of family types receiving the EITC at various income levels. For example, in 2020, nearly three-quarters (71%) of all EITC recipients with AGIs of less than $5,000 had no qualifying children.[87] In contrast, all EITC recipients with AGIs above $25,000 for 2020 had qualifying children.[88] The various reports on the distributional effects of both credits do not discuss any potential change over the studied period; however none of the statutory changes during that time would suggest any major shifts in distributional effects, aside from perhaps a further skew upward in 2017 when the CTC's income cutoff increased.

In summary, the data on program size and number of returns reveal the CTC outpacing the EITC in both areas. Trends in amount show the CTC displacing the EITC as the larger of the two credits partway through the studied period. In that time, the return numbers always favor the CTC, but the gap between the two widens.

Side-by-side analysis of legislative history and data provide crucial evidence to answer this Essay's central inquiry about the relationship between the CTC and EITC. One other metric might speak to relative shifts in their political fates: how the two compare in the public eye. The next Part addresses that topic.

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[84] *See* CRANDALL-HOLLICK, *supra* note 69, at 22.

[85] *See id.*

[86] *See id.*

[87] *See id.*

[88] *See id.*

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II. RELATIVE PUBLIC OPINION

In assessing the political trajectory of any federal public policy, what is happening to it legislatively and, perhaps to a lesser extent, before the executive and judicial branches, is perhaps the most direct evidence. How the policy works on the ground—who in fact benefits from it, and how much—also speaks to its political salience. Yet, in a democratic system, all of that information is a lagging indicator of a policy's political success or lack thereof. While political scientists have long debated how responsive government institutions are to public opinion, most scholars would likely agree that a program's popularity affects what the legislature, and to a lesser degree, the executive and judiciary, do to that program. All else equal, legislators are presumably more likely to expand policies their constituents like.

The conventional wisdom about both the CTC and the EITC is that they are popular. To some degree, at various points they have both avoided the public-opinion disaster that is cash welfare. I have explored this dynamic extensively in prior work, as have others.[89] I have also contemplated the possibility that as these programs expand, that public-opinion advantage may dissipate. In 2018, I wondered in print whether, once the programs became salient enough, they would become as unpopular as their direct-spending counterparts.[90] I have not gathered data directly on this point, but the fact that Congress has not substantially cut back on either credit suggests that both continue to have some enduring appeal.

Existing polling data supports that conclusion. As cited above, the CTC generally polls well. The recent YouGov poll referred to earlier found that 72% of U.S. adult citizens strongly or somewhat supported expanding eligibility for the child tax credit among lower-income families, 57%

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[89] *See, e.g.*, Conor Clarke, *New Research on the Stubborn Persistence of Tax Expenditures*, 150 TAX NOTES 1462, 1463 (2016); Conor Clarke & Edward Fox, Note, *Perceptions of Tax Expenditures and Direct Outlays: A Survey Experiment*, 124 YALE L.J. 1252, 1275 (2015); Christopher Faricy & Christopher Ellis, *Public Attitudes Toward Social Spending in the United States: The Differences Between Direct Spending and Tax Expenditures*, 36 POL. BEHAV. 53, 57–58 (2013); Jake Haselswerdt & Brandon Bartels, *Public Opinion, Policy Tools, and the Status Quo: Evidence from a Survey Experiment*, 68 POL. RSCH. Q. 607, 608 (2015).

[90] *See generally* Susannah Camic Tahk, *Converging Welfare States*, 25 WASH & LEE J. CIV. RTS. & SOC. JUST. 465 (2019).

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supported adjusting the credit for inflation, and only 13% opposed each policy.[91] Data from the recent aforementioned Navigator poll indicated a majority of Americans believe that expanding the CTC is a high priority (52%) and with an additional 30% considering it "a medium priority."[92] The Economic Security Project similarly found that 75% of poll respondents favored the CTC, and over half (52%) strongly favored it. The support crossed party lines; 86% of surveyed Democrats and 64% of Republicans falling into the "favored it" category.[93]

On the other hand, the Center for Excellence in Voting found that 61% of likely voters opposed sending refundable CTC payments to individuals who pay no income tax.[94] In August 2024, a *New York Times* headline on its political blog, *The Upshot*, read, "Why Isn't Biden's Expanded Child Tax Credit More Popular?"[95] The underlying analysis pointed out that "[w]hile polls about last year's expanded credit found it to be popular on net . . . it lagged the popularity of lowering costs for prescription drugs, expanding Medicare and other policies Democrats are seeking to pass."[96] The author posited several potential reasons. Perhaps the pandemic "which helped make the expanded credit a reality, has also limited its support."[97] The piece also noted that "younger Americans—who are more likely to be parents receiving the credit tend to approve of it, [while] many older Americans do not," perhaps because "they tend to view new expansions of the social safety net as threats to funding for Social Security, Medicare and other programs that benefit seniors."[98] Or, perhaps, the "expanded credit is struggling to

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[91] Montgomery, *supra* note 4.

[92] Bennett, *supra* note 6.

[93] *Public Opinion on the Child Tax Credit*, ECON. SEC. PROJECT (Sept. 12, 2022), https://economicsecurityproject.org/resource/public-opinion-on-the-child-tax-credit/.

[94] Travis Taylor, *2024 Child Tax Credit Poll*, CTR. FOR EXCELLENCE POLLING (Apr. 1, 2024), https://excellenceinpolling.com/poll/2024-national-child-tax-credit-poll.

[95] Ian Prasad Philbrick, *Why Isn't Biden's Expanded Child Tax Credit More Popular?*, N.Y. TIMES (Jan. 5, 2022), https://www.nytimes.com/2022/01/05/upshot/biden-child-tax-credit.html.

[96] *Id.*

[97] *Id.*

[98] *Id.*

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overcome Americans' deep-seated beliefs about who deserves government help and who does not."[99]

Fewer recent polls seem to assess support for the EITC. The Center for American Progress did find in 2021 that 62% of respondents supported expanding the EITC to include up to $1,500 per year for low-income people without children.[100] In 2020, an Economic Security Project poll found "majority" support for expanding the EITC to include long-term caregivers.[101] Looking at the state level, political scientists Hunter Rendleman and Jesse Yoder have recently suggested that introducing an EITC at the state level leads to higher vote shares and approval ratings for the implementing governor.[102]

However, no poll that I was aware of examined the two credits side by side. For that reason, in connection with the University of Wisconsin Survey Research Center, I conducted my own survey experiment. In it, I randomly assigned respondents to receive questions about either the CTC or the EITC and asked the same questions about both. This survey design allowed me to compare directly respondents' views about the two credits. The following Subpart II.a describes the specifics of the method, and the next, II.b, presents results.

A. Research Design

To assess views about the CTC and EITC comparatively, I used a survey experiment administered through the University of Wisconsin-Madison Survey Center. Specifically, I used the "WisconSays" Panel tool. WisconSays is an online, probability-based panel designed to be representative of the Wisconsin household population. Sampling methodology for WisconSays includes randomly selecting households across

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[99] *Id.*

[100] *New Polling Shows Strong Bipartisan Support for Federal Aid for People in Need*, CTR. FOR AM. PROG. (Mar. 10, 2021), https://www.americanprogress.org/press/release-new-polling-shows-strong-bipartisan-support-federal-aid-people-need/.

[101] *Polls: Support for EITC with Automatic Filing, Caregiver Credit*, ECON. SEC. PROJECT (Dec. 12, 2020), https://economicsecurityproject.org/resource/polls-support-for-eitc-with-automatic-filing-caregiver-credit/.

[102] Hunter E. Rendleman & Jesse *Yoder, Do Government Benefits Affect Officeholders' Electoral Fortunes? Evidence from State Earned Income Tax Credits*, AM. POL. SCI. REV., Oct. 29, 2024, at 1.

Wisconsin, then contacting them by mail. All sampled households received an initial letter of invitation followed by at least one reminder mailing to non-responders. A total of 50,000 households in five cohorts of 10,000 systematic random samples were drawn and then 3,566 participants joined the panel and provided basic demographic information. Of them, 2,640 completed the present survey experiment.

All participants received an initial set of questions to assess political beliefs about tax and social policy and were asked to answer using a 7-point Likert scale. Specifically, all participants got the following questions: "(1) How much would you support or oppose a federal income tax cut for all Americans?" "(2) How much would you support or oppose a government spending cut for all Americans?" "(3) How much do you support or oppose the government playing an active role in trying to reduce poverty?"

Then, the participants were randomly assigned into four groups. The first group received the following prompt:

> For these next questions suppose the federal government is considering a $2000 refundable child tax credit. This means that, for every child a household has, the household will receive an additional $2000 as part of the household's tax refund, regardless of how much tax the household owes. All households, no matter what they make a year, would be able to receive this refundable child tax credit.

The second group got a different prompt, similar to the first, but the hypothetical CTC was targeted at the lower end of the income distribution:

> For these next questions suppose the federal government is considering a $2000 refundable child tax credit. This means that, for every child a household has, the household will receive an additional $2000 as part of the household's tax refund, regardless of how much tax the household owes. Only households making less than $55,000 a year, before taxes, would be able to receive this refundable child tax credit.

The third group got the same prompt as the first, but the hypothetical CTC was replaced with a hypothetical EITC. The fourth group got the same prompt as the second, again replacing the hypothetical CTC with a hypothetical EITC.

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Then, the survey assessed participants' views about the policy proposals they had just read. Again, using a 7-point Likert scale, all respondents received the following questions, (1) "How much would you support or oppose this refundable [child/earned income] tax credit?" (2) "How likely is it that you would ever qualify for this refundable [child/earned income] tax credit?" (3) "How fair or unfair do you think this refundable [child/earned income] tax credit would be to the American public?" (4) "How expensive or inexpensive do you think this refundable [child/earned income] tax credit would be for the federal government?" (5) "How helpful do you think this refundable [child/earned income] tax credit would be for American families who are poor?" (6) "How helpful do you think this refundable [child/earned income] tax credit would be for American families who are middle-income?"

Finally, all recipients read a list of "government social programs" and indicated which ones they had received in the course of their lives. The list included food stamps, government housing, Medicaid, Supplemental Security Income, Social Security Disability, Head Start, Medicare, the GI Bill, veteran's benefits, unemployment benefits, Pell Grants, Social Security—Retirement or survivors, federally subsidized student loans, the EITC, the CTC, education credits and the home mortgage interest deduction.[103]

B. Results

To analyze the responses, I used linear probability models with robust standard errors.[104]

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[103] This list of government social programs came from Suzanne Mettler's work on the "submerged state." This research argues that Americans who receive subsidies through the tax code may be less aware of them as such. SUZANNE METTLER, THE SUBMERGED STATE: HOW INVISIBLE GOVERNMENT POLICIES UNDERMINE AMERICAN DEMOCRACY 20 (2011) (arguing these tax breaks are genuine subsidies and should be on any list thereof, including the one she uses, and I reproduce here).

[104] Results were similar with logistic regressions.

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Figure 3: Aggregate support for credits

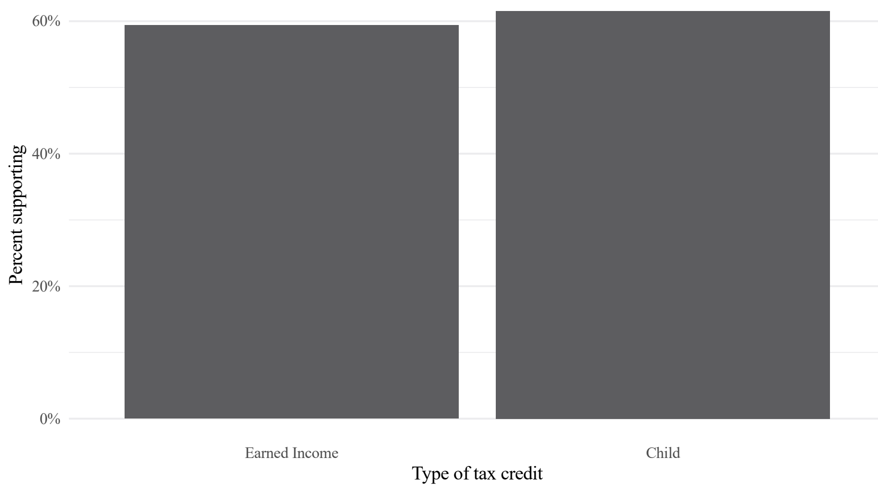

Figure 4: Support for credits by program design

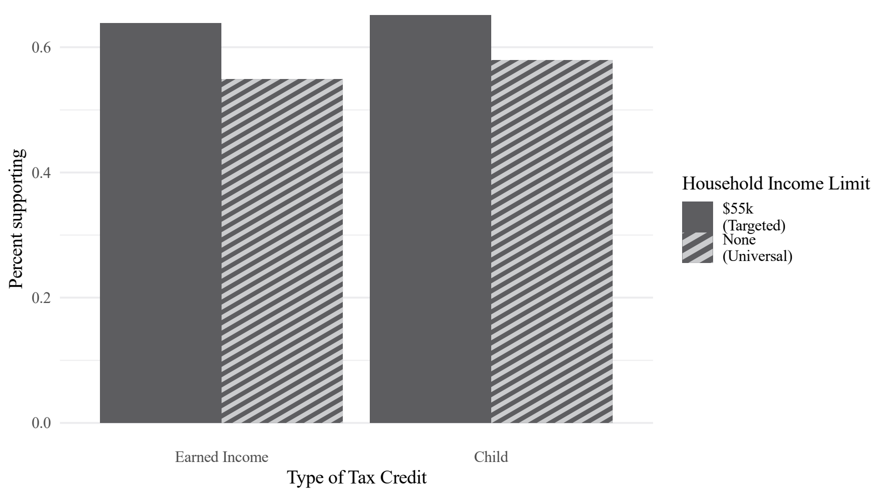

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Figure 5: Aggregate support for program design

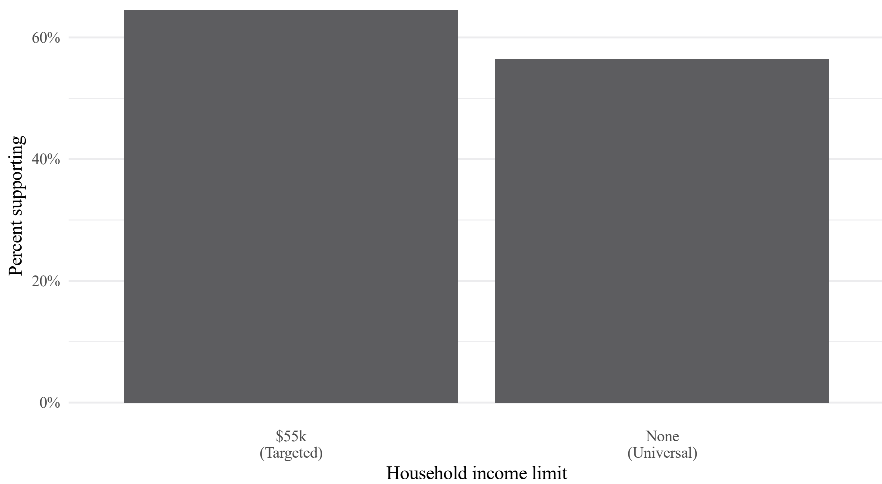


Figure 6: Support for credits by perceived likelihood of receipt

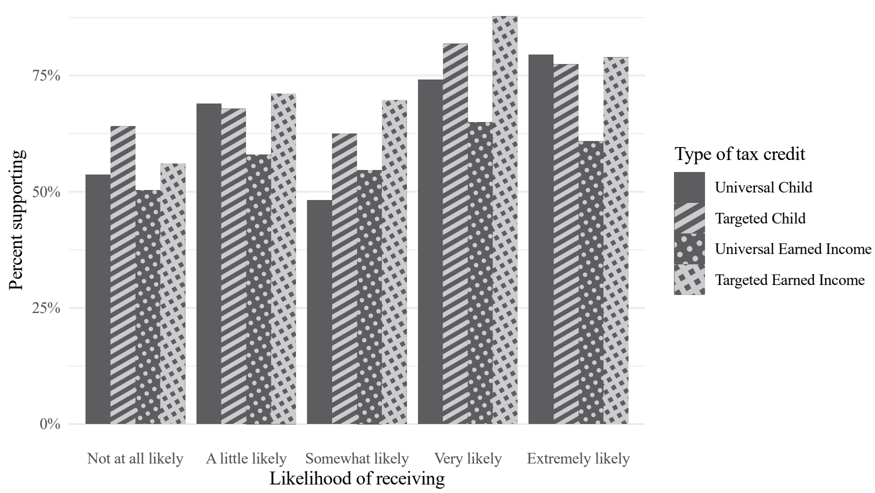


Figure 7: Support for credits by age

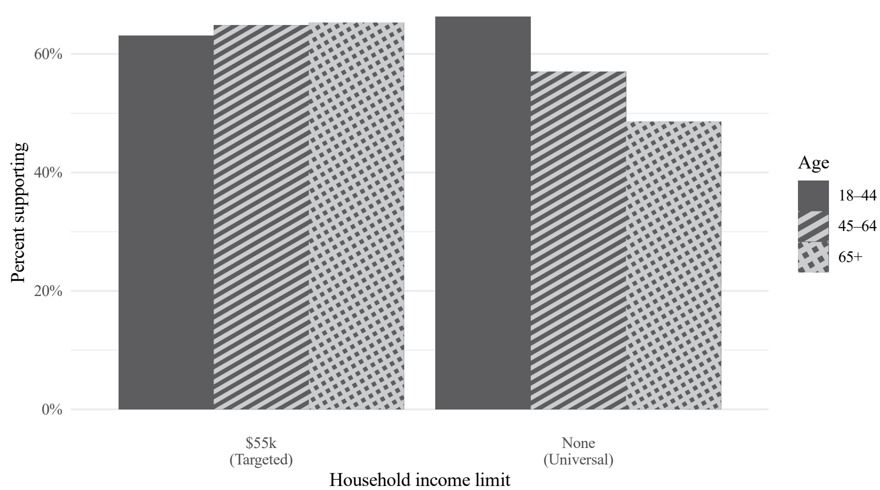
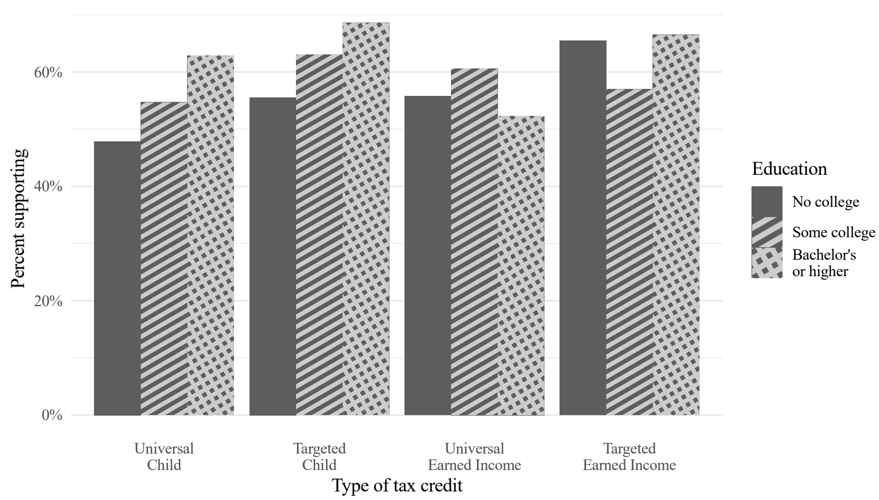


Figure 8: Support for credits by education level



As noted at the outset, looking at the full group of respondents, no preference between the credits emerged. However, the extent to which people believed they would receive the credit mattered significantly. Specifically, controlling for perceived likelihood of getting the credit, respondents were

5.0 percentage points more likely to prefer the CTC, significant at the 95% confidence level.

Unpacking that result a bit further, the lack of aggregate preference seems to reveal two counterbalancing effects. People were more likely to prefer programs from which they themselves believed they benefit. Within this sample, more people believed themselves eligible for the EITC than the CTC; in particular, respondents here were 4.3 percentage points more likely to believe they would qualify for the EITC than for the CTC.

Then, education disparities appear to play a role as well. People without college degrees were nine percentage points less likely to support the CTC. In contrast, people with a bachelor's degree or higher were 6.3 percentage points more likely to support the CTC, significant at the 95% confidence level.[105] Both programs were generally popular. The universally available CTC received 58% support, and the CTC targeted to incomes below $55,000 received 65.2%. The universal EITC received 54.9% support and the targeted EITC 63.9%. The data did suggest significant gender and race effects, too. In particular, men were 7.0 percentage points less likely than non-men to favor either program. White respondents were 6.5 percentage points less likely than the other racial groups to support either one.

As hinted at by the trends described already, self-interest played a significant role in the results. Specifically, respondents who believed themselves extremely likely or very likely to receive the credit themselves were 16.6 percentage points more likely to support that program. Relatedly, respondents with incomes below $60,000/year were 7.4 percentage points more likely to support both credits. For people with a bachelor's degree or higher, people were 12.5 percentage points more likely to support a program they thought they might receive. That preference nearly doubled among people who had not been to college, who were 24.8 percentage points more likely to do so. All of those results were significant at the 95% confidence level.

Across the income range, income targeting was more popular than universality. Higher-income respondents were 7.7 percentage points more

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[105] These figures do not incorporate the available demographic weights. The sample had relatively few members of certain demographics. For that reason, weighing the results by demographics reduced statistical power, although the magnitude of the estimates was similar in all cases with the weights. Future research might attempt to replicate these results in a more demographically dispersed population.

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likely to prefer targeted programs, for lower income 8.5 percentage points, both significant at the 95% confidence level, but not significantly different from each other. Age also seemed to be a part of the story: older people were also significantly less likely to approve of universal programs than younger people. In particular, respondents fifty-five and older were 14.8 percentage points less likely to support hypothetical credits described as available to all. Below fifty-five years, respondents had no significant preference for targeting or universality.

These results tell a complex story about the relationship between the CTC and the EITC. While no clear aggregate preference emerged, the EITC's relative popularity seemed to stem in part from how likely these particular respondents believed they were to get it, whereas some other factor must have explained the CTC's similar strong performance. In addition, consistent with past research described above, both of the credits were popular, in contrast, presumably, to direct-spending welfare programs.

The survey questions also attempted to untangle several potential explanations for disparities in opinion between the CTC and the EITC. If there is a CTC preference, to what extent is it rooted in self-interest? If people like the CTC better, is that because they think they will likely receive it? Or do people prefer the child frame to the work one? Then, insofar as the distributional effects matter, which way do they cut? Do present-day potential voters prefer programs available to all or limited to the more needy? Or, put differently, does the CTC's public opinion advantage stem in part from a general preference for more universal programs?

The data here provides some help in distinguishing these different explanations. In particular, because people did substantially prefer programs for themselves, the CTC's wider availability across the income distribution does presumably explain any relative popularity across the general population, at least in part. That effect may be an important one to explain any shifts in views about the CTC over the past ten years. As the program grows, as it has, the number of people who benefit from it will too. This survey takes a snapshot of views right now, but if it had measured change over time, perhaps it would have documented an increase in overall support for the CTC, or even relative support as the program expanded relative to the EITC. How strongly rooted public opinion of the credits seems to be in personal benefit even raises the possibility that people who got the CTC during the pandemic but have not since still think of themselves as potential CTC recipients. Will the one-time COVID-19 CTC surge have lasting political benefits?

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The data also tells us that here, in a sample with more self-perceived EITC eligibility, CTC preference appears when controlling for that eligibility. So, then, what explains that CTC edge in the survey data? Here, the results rule out any potential explanations rooted in a more general preference for universal programs. People in fact liked the targeted programs better. Consequently, this survey indicates that the extent to which people favor the CTC has something to do with the program's child-centric frame. The evident advantage that "child" has over "earned income" seems to go beyond what would arise from people themselves having eligible children.

III. Relationship Between the Two Credits

The first two Parts of this Essay assessed the CTC and EITC comparatively using four different metrics: legislation passed, dollar amount distributed, number of returns submitted, and public opinion. This Part moves to aggregate all of that information into a larger narrative about the relationship between the two credits.

As discussed in the Introduction, biologists use four categories to describe relationships between populations of organisms: (1) mutualism, (2) commensalism, (3) parasitism, and (4) competition. The first three fit within the broader umbrella concept of "symbiosis." Because these terms concisely sum up the way different species within an ecosystem might interact, I deploy them here to think about the how the two credits interact within the U.S. political ecosystem. To what degree is each category a useful analogy? Taking each in turn, but in reverse order:

A. Competition

As mentioned above, the conventional wisdom about income support policy in the United States envisions a competitive environment. The public has little appetite for poverty reduction as a policy goal, and legislators eagerly scapegoat cash assistance programs. Maybe a scrappy upstart like a small EITC can eke out an existence, but there is no room for much more. In fact, any attempt at growing the welfare state threatens to undermine the

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already-fragile EITC. The presence of both credits in one political landscape undermines both of them.[106]

This competitive analogy fits with the doom narrative common in the study of income support policy. As I framed the question in 2018, "To what extent do the particular advantages of the tax antipoverty programs persist as the tax antipoverty programs take center stage? Can tax programs, once distinguished from their direct-spending counterparts on the grounds of relative popularity and legal and administrative ease of access maintain those hallmarks as the tax-based welfare state grows in size and scope?"[107] Put differently, would a large CTC increase eventually become so despised and welfare-resembling that it would bring the EITC down with it?

That does not seem to be happening yet, at least. The metrics discussed in this Essay in fact show limited if any elements of competition. The story here is not one of decline, let alone decline because both programs had to vie for dwindling resources. To the contrary, the legislative changes were almost entirely expansionary. The nominal dollars spent on both credits increased during the studied period. The number of EITC returns was relatively steady, while the number of CTC ones skyrocketed.

Only two of the Essay's observations even hint at a possible competitive dynamic between the credits. One, while the Essay's survey data do indicate that both credits are popular, the national surveys cited, all conducted earlier than this one, report even higher approval ratings. The numbers are close enough that the disparity may just result from random noise. Or perhaps particular features of this Essay's sample, taken within a state that went Republican in the 2024 presidential election, make it relatively less friendly to income support programs than the national population. Nevertheless, if the 55-65% support rates in the survey data are at all nationally representative, they do intimate some downward slide in popularity for both credits. If that is true, the presence of two income support credits could in fact be slowly draining the supply of public support available to either one individually.

The other observation that suggests a bit of competition is the fact that when Congress restricts one credit, it imposes the same limit on the other at the same time if relevant. Additionally, in two instances, Congress took a

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106 *See supra* note 35.

107 Tahk, *supra* note 90, at 466.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

limit that already existed for the EITC and applied it to the CTC. These legislative changes seem for the most part rooted in Congress's sometimes-cited concern about tax fraud in credits available to lower-income groups. Those concerns have a long history in the EITC context. Congress's eagerness to address them in the CTC one at the same time may mean that when legislators hear about fraud issues regarding one credit, they assume, perhaps without evidence, that the same issues emerge in the context of the other credit. Even moving beyond the limiting provisions, the fact that Congress almost always alters both credits at the same time may signify that Congress, and its tax-writing committees do tend to speak of both credits in the same breath. As a result, if one is in legislative trouble, the other one could be, too.

B. Parasitism

More present in this Essay's findings was evidence of a parasitic relationship between the two credits. One way to think about parasitism in this context is to consider how, for most of the EITC's history, when Congress wanted to do something about income support, it turned to the EITC. Most famously, the 1996 welfare reform bill leaned on the EITC to show that, while Congress wanted to end cash welfare as we knew it, the federal government was not entirely abandoning low-income Americans. But, during the pandemic, when Congress wanted to do something about income support, it turned to the CTC, making no comparable changes to the EITC. The biological image is one of the CTC attaching itself to the heap of political capital the EITC had accrued since the 1970s and sucking it away. The CTC does well because the EITC flounders, in contrast with a competitive dynamic in which each would undermine the other.

In fact, as described in Part I, in real dollars, the total value of the EITC as a program has declined slightly over recent years. If plotted against the total value of the CTC in the same period, the CTC line would slope consistently upwards, while the EITC line would angle down. That pattern between species would indicate a parasitic relationship. As mentioned above, CRS is explicitly agnostic about why the decline happened, positing that the robust recent labor market might mean that there are just fewer people eligible for this income-targeted credit. Or, perhaps, eligible poor taxpayers,

Pitt Tax Review | ISSN 1932-1821 (print) 1932-1996 (online)
DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

concerned that they may be audited, are not claiming the credit.[108] These potential explanations did not, of course, have similar effects on the CTC. While it is true that more people may have been exceeding even the CTC's high-income limit in 2021 than in 2015, the income limit itself went up with TCJA, more than offsetting any effect from families doing better over time. Similarly, while poor CTC claimants might not file out of audit fear, there are relatively fewer of them and again, any such effect would be small relative to the hefty legislative CTC expansions. Additionally, during the pandemic, CTC recipients received some payments via pre-filing checks, so filing behavior would have had less of an impact on take-up, at least in 2021.

The public opinion data show dimensions of a potentially parasitic trend. While the aggregate data revealed no clear disparity, as argued above, the EITC seemed to be gleaning its support from people who thought they were likely to get it, and there were relatively more of them in the sample than there were CTC-eligible respondents. In other words, people who preferred the CTC appeared to do so for reasons besides self-interest. Those people also tended to be younger. The survey was able to rule out a more general preference for universalism, so some other sets of normative views must be driving the CTC's favorability numbers. The nature of those views would be a fruitful topic for future research. Perhaps they have nothing to do with the EITC, a possibility I consider below.

On the other hand, people's affinity for the child frame could come at the expense of their views on the work one. To take a hypothetical causal gendered mechanism, the start of 2025 has seen a spate of articles in the popular press documenting the "tradwife" wave.[109] Interest in having, or being, a tradwife may reflect a more general resurgence among younger

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[108] CRANDALL-HOLLICK, *supra* note 69, at 16.

[109] *See, e.g.*, Michaela Bramwell, *21 Reasons Young Women Are Embracing The "Tradwife" Phenomenon According To Gen Z'ers, and Honestly, Some of These Are Spot On*, BUZZFEED (Jan. 13, 2025), https://www.buzzfeed.com/michaelabramwell/gen-z-women-share-views-on-tradwife-phenomenon; Marika Lindholm, *The Tradwife Trend is a Risky Throwback*, PSYCH. TODAY (Sept. 27, 2024), https://www.psychologytoday.com/us/blog/more-than-womens-work/202409/the-tradwife-trend-is-a-risky-throwback; Amy X. Wang, *Who's Afraid of the Big, Bad Tradwife?*, N.Y. TIMES (Aug. 20, 2024), https://www.nytimes.com/2024/08/20/magazine/tradwives-instagram.html; Sally Hawkins et al., *"Tradwife" Lifestyle Trends on Social Media and the Internet Is Divided*, ABC NEWS (June 24, 2024, 9:40 AM), https://abcnews.go.com/US/tradwife-lifestyle-trends-social-media-internet-divided/story?id=111327508; Jacqueline Beatty, *The Truth About the Past That "Tradwives" Want to Restore*, TIME (Apr. 22, 2024, 9:00 AM), https://time.com/6962381/tradwives-history/.

people of the view that, in households with married couples and children, the wife should not work outside of the home. A recent Pew Research Center survey on changing attitudes about the workplace confirms that views about gender, parenthood and work remain complex, finding that, "[d]espite dramatic changes over the years in attitudes about the role of women, large majorities of Americans still believe the ideal situation for a mother with one or more young children is not to hold a full-time job."[110] What is more, "these preferences are mirrored in the workplace, where a majority of women with younger children who work full time say they would prefer to have a part-time job."[111]

The discourse on tradwives, and the one shaping the views that Pew cites, is one in which negative views about work, for one gender at least, are tied up in perhaps positive views about children. Someone who believes mothers should not participate in the formal labor market so that they might focus on raising children might favor a CTC but, as a result of the same set of views, not favor an EITC that incentivizes formally earned income. However, it is also true that the academic literature has, as far as I know, not documented any parasitic link between enthusiasm for tradwives and opinions on work-based social policy.

C. Commensalism

The comparative facts set forth in this Essay display a number of features of a commensal relationship between the two credits. Commensalism is present when one organism helps another to grow, but the helper is left untouched.

In fact, while this Essay, and the rest of the tax literature, has documented a massive CTC expansion since 2015, no evidence directly suggests that the CTC's growth has hurt the EITC. Looking at the legislative changes, at no point has Congress cut back on the EITC while expanding the CTC. In two instances, Congress imposed a limit that had previously applied only to the EITC to the CTC as well, but in no case did Congress invent a new one specifically for one credit or the other. Turning to the dollar amounts

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[110] PAUL TAYLOR, PEW RSCH. CTR., RECESSION TURNS A GRAYING OFFICE GRAYER 27 (Rich Morin ed., 2023).

[111] *Id.*

DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

and numbers of returns, at no point do they show one credit starting to decline. It is hard to square a pair of trend lines in which neither goes down with a primarily competitive or parasitic relationship. Then, in the survey data, the lack of evident aggregate preference for either credit, along with the basic popularity of both, further suggests a relationship where neither credit is impeding the other's success, and, in fact, affinity for one may be enhancing respondents' support for the other.

In the commensalism model, using the example provided above, the trees are the EITC and the orchids the CTC. The CTC is increasing substantially in dollar amount, while the EITC is more or less stable. That sort of relationship may in fact have described the credits particularly well in their early years. Enthusiasm for the EITC, and the sense that it was doing well, probably did influence legislators crafting and expanding the CTC. The EITC likely seemed to be succeeding in encouraging work and helping poor families without leaning on cumbersome administrative apparatus. Why not try something similar, but for children?

Yet, while its association with the EITC may be a continuing source of popularity, the CTC likely also derives its appeal from its focus on children. Falling birth rates suggest that younger Americans may themselves be less willing to take on parenting themselves, but the "child" language remains a powerful political image.[112] A recent study on the use of childhood as a political-rhetorical tool observed that the "heavy emotional ties" associated with modern conceptions of childhood means that "the invocation of children often works as a rhetorical tool [in] defining national values."[113] The historical construction of the word "child," the study finds, "has a specific genealogy rooted in the nineteenth century remapping of public and domestic space."[114] In fact, historians have found that with the rise of children's rights and restrictions on labor in the 1900s, children became "sentimental

[112] *See generally U.S. Fertility Rate Drops to Another Historic Low*, CTR. FOR DISEASE CONTROL (Apr. 25, 2024), https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2024/20240525.htm.

[113] Alyvia Walters, Child Nation, and Emotion: Analyzing Children as Rhetorical Tools in Political Campaigns (May 2024) (Doctor of Philosophy dissertation, Rutgers University), https://rucore.libraries.rutgers.edu/rutgers-lib/72576/PDF/1/play/.

[114] *Id.* at 6.

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

assets."[115] Public discourse around children came to focus on their emotional value to families and cultures, rather than on any economic value they might produce.[116]

Consistent with the historical research, empirical analysis of Senate campaign materials in battleground states during the 2022 election found that candidates frequently invoked the "child" language in talking about policy.[117] Notably, Republicans invoked children about 10% more often than Democrats.[118] Also relevant, the policy area in which candidates talked about children second most often was the economy, focusing on the economic difficulties of raising children, the need for income support and the CTC specifically.[119]

It is not as clear whether the EITC's work frame is as helpful in the current political climate as it once was. The EITC has traditionally benefitted from, in Professor Ventry's words, an "anti–welfare, pro–work sentiment" that "pervaded the national culture."[120] That sentiment "emphasized work over dependency, distinguishing between poverty (which was seen as a temporary condition of the working poor and a permanent condition of the disabled and aged) and welfare dependency (which was seen as a pathological and voluntary condition of the indolent)."[121] The fact that the EITC centers work is sometimes given as explanation for why it flourished while cash welfare collapsed.[122]

However, attitudes towards work may be changing. Some research has shown that younger Americans are less positive towards work than their older counterparts. For instance, the Pew survey data discussed above show that

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[115] VIVIANA ZELIZER, PRICING THE PRICELESS CHILD 167 (1985).

[116] *Id.*

[117] Walters, *supra* note 113, at 53.

[118] *Id.* at 129.

[119] *Id.* at 64

[120] Ventry, *supra* note 11, at 985.

[121] *Id.*

[122] *See, e.g.*, COMM. WAYS & MEANS, 104TH CONG., SUMMARY OF WELFARE REFORMS MADE BY PUB. L. 104-193, at 5 (Comm. Print 1996).

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"54% of working adults sixty-five and older report they are 'completely satisfied' with their current job, nearly double the 29% of workers younger than sixty-five who are similarly pleased with their job."[123] Older people were more likely to "value a job for many reasons, not the least of which are the intangible psychological benefits that flow from working."[124] Historian of work Benjamin Hunnicutt has identified the current sentiment towards work "as a mass re-evaluation of the promise that a job can be more than a means to an end and can deeply fulfill us as human beings."[125] Once upon a time, he says, Americans had an "almost religious devotion to work."[126] Now, however, while Americans may have been "raised on the idea of a dream job, one that could be both personally and financially fulfilling, work has often fallen short of providing people with what they need to live."[127] He adds that, "[t]his reality has created a disillusionment with work among young Americans" that the pandemic may have exacerbated, but had been prevalent before it, too.[128]

The public opinion data in this Essay is consistent with the idea that child rhetoric appeals more to younger voters than work rhetoric does. Specifically, as noted, younger survey respondents did significantly prefer the CTC. For this reason, to the extent commensalism is the right model for the relationship between the credits, in the future, that relationship's direction may switch, as the CTC lends its allure to the EITC, enabling it to continue on steadily.

D. Mutualism

Finally, the relationship between the two credits also bears hallmarks of mutualism. The best evidence for a mutualistic relationship comes from the comparative legislative history and the return data. As noted in the prior subpart, when Congress alters one credit, in most instances, the legislative

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[123] TAYLOR, *supra* note 110, at 21.

[124] *Id.* at 22.

[125] Lauren Aratani, *Goodbye to the Job: How the Pandemic Changed Americans' Attitude to Work*, GUARDIAN (Nov. 28, 2021, 2:00 PM), https://www.theguardian.com/money/2021/nov/28/goodbye-to-job-how-the-pandemic-changed-americans-attitude-to-work.

[126] *Id.*

[127] *Id.*

[128] *Id.*

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DOI 10.5195/taxreview.2025.257 | http://taxreview.law.pitt.edu

body also revises the other in the same direction. Most of the changes in the studied period were in fact expansionary. Legislators and the tax-writing committees really do seem to speak of the two credits in the same breath. That breath was a warm one during the studied period. Plotting the legislative changes would show a textbook mutualistic relationship in which both grow together, if at different rates.

The data about return filing also support a story of mutualism. During this period, the number of returns claiming both credits went up. Again, the CTC numbers went up much faster than the EITC numbers, but the direction was positive for both.

Those two pieces of evidence tell a story that challenges the standard academic account of the welfare state. A mutualistic relationship between the credits is one in which the CTC's success reflects well on the EITC and vice versa. When one attracts political resources, the other does, too. That story implies that perhaps the pool of political resources is not necessarily the small, shallow one described by decades of welfare state literature. The pool is one that can perhaps expand, as long as the programs in it stay popular. The public opinion story here is mildly optimistic about that possibility. Specifically, it suggests both that the CTC is notably popular even among people who do not receive it, and that receiving a credit makes someone more likely to support it. The number of Americans who receive the CTC—or received it during the pandemic—has gone up, which may result in more political support for the CTC that would, in a mutualism model, also attach to the EITC.

The data do caveat that sunny prediction. In particular, given the importance of personal benefit to political support, it is not clear what effect the temporary CTC expansion will have on the CTC's popularity. Perhaps support for the CTC will wane as people's memory of having once received it fades. People also seemed to prefer income-targeted programs, which the CTC is not. The EITC may have stayed relatively popular as long as it has in part because it is a targeted program. The CTC's more universal approach may cut both ways, increasing the number of people who get and thus like the CTC, while decreasing the CTC's appeal to voters who do not care for universal programs.

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CONCLUSION

This Essay has presented a complicated tale of two anti-poverty tax credits. Assessed for the first time in comparative perspective, their relationship bears hallmarks of multiple dynamics: competition along with multiple forms of symbiosis. The recent past has seen both credits expand and remain popular to a certain extent, suggesting a symbiotic, perhaps even mutualistic relationship. Yet elements of competition and parasitism emerge as well, implying that the two credits' futures remain uncertain.

At the beginning of 2025, prominent liberal blogger Matt Yglesias wrote an article about the "failure of the expanded CTC gambit." His account focuses on a part of the story not present in this Essay, the role of specific political actors,

> [In] the American legislative context, the idea of creating a child allowance came from two moderate Democrats—Michael Bennet and Sherrod Brown—and was initially met with a kind of two-sided skepticism. On the one hand, some people (like Manchin, ultimately) were worried about the idea of providing cash benefits without a work requirement. On the other hand, I would say there was a distinct lack of enthusiasm on the left, where various interest groups were more invested in policy ideas related to climate change or preschool or subsidized child care . . . .
>
> . . . Joe Biden, as a primary candidate, *also* wasn't interested in this idea—he stood behind his 1990s commitment to the notion that cash welfare to non-workers was unacceptable and untenable . . . .
>
> . . . [As a result] the CTC wound up being championed in the primary mostly by candidates running to Biden's left—Bernie Sanders, Elizabeth Warren, and the not-as-left-wing Pete Buttigieg. They framed it not as an alternative to other ideas but an addition to them.
>
> Then in September of 2020, Biden suddenly flip-flopped and embraced the expanded CTC as a pandemic emergency measure . . . .
>
> . . . But [Senator Joe] Manchin [who] would go on to veto a proposal to make the expansion permanent said from the start that he didn't like the idea of cash transfers with no work requirement.
>
> . . . Months of drama and infighting followed, but Manchin never budged . . . .
>
> . . . [T]he big problem here is that the Bennet-Brown proposal is very expensive and it's hard to raise taxes. [W]hile it's certainly possible to be for CTC expansion and also for other things, like a federal preschool program or federal day care subsidies, in a world of scarce funds it's important to set priorities. The original sin of this whole mess is that while 'yes, and…' is a totally reasonable response

> for a safe-seat back-bench congressional Democrat, it doesn't work as a governing agenda.[129]

While Yglesias's analysis is prescient in many ways, this Essay hints at the possibility that "yes, and . . ." *could* work as a governing agenda; it just matters "yes, and . . . *what*?" Looking at social programs comparatively through an ecological model reveals that in fact some, but not all, may achieve synergies. This Essay imagines tax credits as part of a dynamic, complex interweaving policy network. Further research could tell us more about the many inter-policy relationships that animate it.

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[129] Matthew Yglesias, *Don't Blame Joe Manchin for Child Poverty*, SLOW BORING (Jan. 13, 2025), https://www.slowboring.com/p/dont-blame-joe-manchin-for-child.

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