Religious Objections to Social Security Not Claiming Child Tax Credit

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The IRS, in an Informational Letter, has explained why taxpayers with a religious objection to Social Security may no longer claim the child tax credit for a child without a Social Security Number (SSN).

Certain recognized religious sects are conscientiously opposed to accepting the benefits of any public or private insurance for old age, death, disability, retirement, or medical care. Members of these religious sects may be exempted from paying Social Security, Medicare and self-employment taxes. Pursuant to IRC Code Sec. 1402(g), these individuals are not required to obtain a Social Security Number for themselves or their dependent children.

Before the enactment of the Tax Cuts and Jobs Act (TCJA), IRC Code Sec. 24 allowed a taxpayer to claim a child tax credit (CTC) of up to $1,000 per qualifying child and each child's taxpayer-identification number (TIN) needed to be provided.

As a result, pre-TCJA, IRC Code Sec. 24 did not require a qualifying child's SSN, and taxpayers who had religious objections to applying for an SSN could claim the CTC using the qualifying child's TIN, not qualifying child's SSN.

The TCJA then added special rules governing the administration of the CTC for tax years 2018 through 2025. Specifically, a taxpayer can't claim a CTC unless the taxpayer includes the qualifying child's SSN on the taxpayer's return. For this purpose, the child's SSN must be issued before the due date of the return by the Social Security Administration to a U.S. citizen or an alien authorized to work in the U.S.

The Religious Freedom Restoration Act (RFRA) of 1993 prohibits the federal government from substantially burdening a person's exercise of religion unless it demonstrates that application of the burden to the person

1. Furthers a compelling governmental interest, and
2. Is the least restrictive means of furthering that compelling governmental interest.

The Information Letter highlights that the RFRA does not require the IRS to provide administrative relief to taxpayers who have religious or conscience-based objections to obtaining SSNs. In enacting the new CTC rules, Congress unequivocally declared that only taxpayers who provide a qualifying child's SSN should be allowed the CTC. As a result, children without SSNs don't qualify for the CTC.

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