

STOPPING BENEFITS FOR ILLEGAL IMMIGRANTS

Preston Brashers, Research Fellow
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TOPLINE: To avoid benefits going to illegal immigrants, the One Big Beautiful Bill (OB3) required that taxpayers provide a work-eligible Social Security Number (SSN) for themselves and their spouse for eligibility to receive the Child Tax Credit (CTC) and certain other benefits and tax advantages.

BACKGROUND: More than [150 million](#) U.S. citizens and non-citizens file tax returns per year. Most filers have positive tax liabilities, but some with lower incomes who receive "refundable" tax credits like the Earned Income Tax Credit or CTC can receive larger tax credits than what they paid in taxes, resulting in those filers receiving benefits.

Illegal immigrants can and do receive certain federal and state benefits, including certain tax benefits administered by the IRS. Non-citizens who receive income in the U.S. are required to file U.S. income tax returns (though under-the-table income does go unreported). To limit illegal immigrants' access to the CTC, the 2017 Tax Cuts and Jobs Act (TCJA) required filers to provide the SSN of any child for whom they claimed a credit. However, it didn't require an SSN for the parent (or *parents*), so illegal immigrants could still claim credits if the child was a citizen but the parents weren't.

What OB3 Did:

- [Added](#) a requirement that taxpayers receiving the CTC provide a work-eligible SSN for themselves and their spouses if filing jointly.
- [Required](#) a work-eligible SSN for the following other tax deductions and credits:
 - No Tax on Tips, No Tax on Overtime, and Senior Deduction
 - Trump Accounts
 - American Opportunity Tax Credit (a credit of up to \$2,500 for higher education expenses for up to 4 years)
 - Lifetime Learning Credit (for higher education, up to \$2,000, no time limit)
- [Denies](#) Medicaid payments to states for people who aren't citizens or legal aliens.

Why It Matters?

- Pew Research estimates that in 2023 alone, about [300,000](#) children were born in the U.S. to illegal immigrants. Many of these children received SSNs, and the parents could be eligible to receive the CTC if not for OB3.
- Treasury estimates [14%](#) of refundable CTC payments were improper in 2023.

Where Can I Find the Changes? OB3 Sections: *Several*; U.S. Code Sections: *Several*.

BOTTOMLINE: Illegal immigrants aren't entitled to benefits on the taxpayer dime. Lawmakers should build on the changes in TCJA and OB3 and should further restrict tax and welfare benefits from going to illegal immigrants.

