To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2009

Ms. KLOBUCHAR (for herself and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Americans Giving care
to Elders (AGE) Act of 2009”.

SEC. 2. CREDIT FOR ELDERCARE EXPENSES.

(a) In General.—Subpart A of part IV of sub-
chapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by inserting after section 25D the fol-
lowing new section:
“SEC. 25E. EXPENSES FOR ELDERCARE.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—In the case of an individual for which there are 1 or more qualifying individuals (as defined in subsection (b)(1)) with respect to such individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of the eldercare expenses (as defined in subsection (b)(2)) paid by such individual during the taxable year.

“(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term ‘applicable percentage’ means 20 percent reduced (but not below zero) by 1 percentage point for each $4,000 (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year exceeds $120,000.

“(b) DEFINITIONS OF QUALIFYING INDIVIDUAL AND ELDERCARE EXPENSES.—For purposes of this section—

“(1) QUALIFYING INDIVIDUAL.—The term ‘qualifying individual’ means the father or mother of the taxpayer or an ancestor of such father or mother, who requires assistance with activities of daily living.

“(2) ELDERCARE EXPENSES.—
“(A) IN GENERAL.—The term ‘eldercare expenses’ means amounts paid for expenses for the care of a qualifying individual.

“(B) CARE CENTERS.—Eldercare expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer’s household by a care center (as defined in subparagraph (C)) shall be taken into account only if such center complies with all applicable laws and regulations of a State or unit of local government.

“(C) CARE CENTER DEFINED.—For purposes of this paragraph, the term ‘care center’ means any facility which—

“(i) provides care for more than six individuals, and

“(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).

“(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

“(1) IN GENERAL.—The amount of the eldercare expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed $6,000.
“(2) Coordination with dependent care assistance exclusion.—The dollar amount in paragraph (1) shall be reduced by the aggregate amount excluded from gross income under section 129 for the taxable year.

“(d) Special rules.—For purposes of this section—

“(1) Payments to related individuals.—No credit shall be allowed under subsection (a) for any amount paid to an individual—

“(A) with respect to whom, for the taxable year, a deduction under section 151(c) (relating to deduction for personal exemptions for dependents) is allowable either to the taxpayer or his spouse, or

“(B) who is a child of the taxpayer (within the meaning of section 152(f)(1)) who has not attained the age of 19 at the close of the taxable year.

For purposes of this paragraph, the term ‘taxable year’ means the taxable year of the taxpayer in which the service is performed.

“(2) Identifying information required with respect to service provider.—No credit
shall be allowed under subsection (a) for any amount paid to any person unless—

“(A) the name, address, and taxpayer identification number of such person are included on the return claiming the credit, or

“(B) if such person is an organization described in section 501(c)(3) and exempt from tax under section 501(a), the name and address of such person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence shall not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information so required.

“(3) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under subsection (a) with respect to any qualifying individual unless the taxpayer identification number of such individual is included on the return claiming the credit.

“(4) MARRIED COUPLES MUST FILE JOINT RETURN.—Rules similar to the rules of paragraphs (2) and (3) of section 21(e) shall apply.
“(e) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any amount with respect to which a credit is allowed under section 21.

“(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.”.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

“Sec. 25E. Expenses for eldercare.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 213(e) of the Internal Revenue Code of 1986 (relating to exclusion of amounts allowed for care of certain dependents) is amended—

(A) by inserting “or section 25E” after “section 21”, and

(B) by inserting “AND ELDERS” after “CERTAIN DEPENDENTS” in the heading.

(2) Section 6213(g)(2) of such Code (relating to mathematical or clerical error) is amended—

(A) by inserting “, section 25E (relating to expenses for care of elders),” after “(relating to expenses for household and dependent care

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services necessary for gainful employment)” in
subparagraph (H), and
(B) by inserting “25E,” after “24,” in
subparagraph (L).
(d) EFFECTIVE DATE.—The amendments made by
this section shall apply to taxable years beginning after
the date of the enactment of this Act.
SEC. 3. EXTENSION AND INCREASE IN FUNDING FOR THE
NATIONAL FAMILY CAREGIVER SUPPORT
PROGRAM.
Section 303(e)(2) of the Older Americans Act of
1965 (42 U.S.C. 3023(e)(2)) is amended by striking
“$180,000,000 for fiscal year 2010” and all that follows
through “for fiscal year 2011” and inserting
“$250,000,000 for each of fiscal years 2010, 2011, 2012,
and 2013.”.
SEC. 4. NATIONAL RESOURCE CENTER ON FAMILY
CAREGIVING.
(a) IN GENERAL.—Part A of title IV of the Older
Americans Act of 1965 (42 U.S.C. 3032 et seq.) is amend-
ed by adding at the end the following:
“SEC. 423. NATIONAL RESOURCE CENTER ON FAMILY
CAREGIVING.
“(a) DEFINITIONS.—In this section:
“(1) Public or private nonprofit entity.—The term ‘public or private nonprofit entity’ means—

“(A) a State, a political subdivision of a State, or an agency or instrumentality of such a State or political subdivision; or

“(B) a nonprofit entity that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

“(2) State.—The term ‘State’ means 1 of the 50 States.

“(b) Establishment.—The Secretary of Health and Human Services shall award a grant to or enter into a cooperative agreement with a public or private nonprofit entity to establish a National Resource Center on Family Caregiving (referred to in this section as the ‘Center’).

“(c) Purposes of National Resource Center.—The Center shall—

“(1) identify, develop, and disseminate information on best practices for and evidence-based models of family caregiver support programs;

“(2) provide timely information on policy and program updates relating to family caregivers;
“(3) partner with related organizations to disseminate practical strategies and tools to support families in their caregiving roles;

“(4) convene educational programs and web-based seminars on family caregiver issues and program development; and

“(5) provide a comprehensive Internet website with a national searchable database on family caregiver programs and resources in the States.

“(d) AUTHORIZATION.—There is authorized to be appropriated to carry out this section $12,000,000 for the period of fiscal years 2010 through 2013.”.

(b) TECHNICAL AMENDMENTS.—

(1) Section 431(a) of such Act (42 U.S.C. 3033(a)) is amended by striking “or contract” the first place it appears and inserting “or contract (including a cooperative agreement)”.

(2) Section 432(a) of such Act (42 U.S.C. 3033a(a)) is amended by striking “and contracts” and inserting “and contracts (including cooperative agreements)”.