To amend the Internal Revenue Code of 1986 to provide for youth sports, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Mr. Rose of New York (for himself and Mr. Gottheimer) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To amend the Internal Revenue Code of 1986 to provide for youth sports, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “COVID–19 Youth Sports and Working Families Relief Act”.

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SEC. 2. MODIFICATION OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) ALLOWANCE OF EXPENSES FOR YOUTH PHYSICAL ACTIVITIES.—Section 21(b)(2)(A) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by inserting after clause (ii) the following:

“(iii) expenses for youth physical activities (within the meaning of section 223(d)(5)).”.

(b) EXCEPTION TO CAMP RULE.—Section 21(b)(2)(A) of such Code (as amended by subsection (a)) is amended by striking “Such term” and inserting “Except as provided by clause (iii), such term”.

(c) DOLLAR LIMITATIONS.—Section 221(c) of such Code is amended to read as follows:

“(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

“(1) if there is 1 qualifying individual with respect to the taxpayer for such taxable year, the sum of—
“(A) $3,000 of so much of employment-related expenses as are described in clauses (i) and (ii) of subsection (b)(2)(A), and
“(B) $6,000 of so much of employment-related expenses as are described in clause (iii) of subsection (b)(2)(A), or
“(2) if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year, the sum of—
“(A) $6,000 of so much of employment-related expenses as are described in clauses (i) and (ii) of subsection (b)(2)(A), and
“(B) $12,000 of so much of employment-related expenses as are described in clause (iii) of subsection (b)(2)(A).

The amounts determined under subparagraphs (A) and (B) of paragraph (1) or (2) (whichever is applicable) shall each be reduced by the aggregate amount for the same categories of expenses excludable from gross income under section 129 for the taxable year.”.

(d) REFUNDABLE.—Section 21(e) of such Code is amended by adding at the end the following:
“(11) CREDIT REFUNDABLE FOR 2020.—In the case of a taxable year beginning in calendar year 2020, the credit allowed under subsection (a) (deter-
mined without regard to this paragraph and section 26(a)) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)).”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 3. INCREASE IN DOLLAR AMOUNT OF ELECTION FOR DEPENDENT CARE FLEXIBLE SPENDING ARRANGEMENTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 is amended by redesignating subsections (k) and (l) as subsections (l) and (m) and inserting after subsection (j) the following:

“(k) LIMITATION ON DEPENDENT CARE FLEXIBLE SPENDING ARRANGEMENTS.—

“(1) IN GENERAL.—For purposes of this section, if a benefit is provided under a cafeteria plan through employer contributions to a dependent care flexible spending arrangement, such benefit shall not be treated as a qualified benefit unless the cafeteria plan provides that an employee may not elect for any taxable year to have salary reduction contributions in excess of $10,000 made to such arrangement for each dependent under such arrangement.
“(2) Single Parent.—In the case that the employee is an individual who is not married as of the beginning of the taxable year for which the employee elects to participate in the arrangement, paragraph (1) shall be applied by substituting ‘$12,000’ for ‘$10,000’.”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 4. Youth Physical Activities.

(a) Health Savings Accounts.—Section 223(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(5) Youth Physical Activities.—For purposes of this section, the term ‘medical expenses’ includes registration costs, fees, and expenses associated with—

“(A) organized individual and team sports,

“(B) fitness and exercise,

“(C) recreation, and

“(D) other physical activities for youth who have attained age 4 but not age 18.”.

(b) Flexible Spending Arrangements.—Section 106 of such Code is amended by adding at the end the following:
“(h) Reimbursements for Youth Physical Activities.—For purposes of this section and section 105, expenses incurred for youth physical activities (within the meaning of section 223(d)(5)) shall be treated as incurred for medical care.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 5. YOUTH SPORT PROVIDERS.

(a) Establishment of Relief Fund.—The Secretary of the Treasury shall create a relief fund in the Treasury for youth sport providers.

(b) Funding of Relief Fund.—Out of amounts in the Treasury not otherwise appropriated, there is appropriated to the relief fund established under subsection (a) such sums as may be necessary to carry out this section.

(c) Distribution of Funds.—

(1) In general.—The Secretary shall disburse amounts from the relief fund established under subsection (a) in such a manner as—

(A) to alleviate losses sustained as a result to COVID-19,

(B) to be targeted to sustain existing organizations that may, without such assistance, fail or have to severally curtail operations, and
(C) aim to maintain youth participation capacity.

(2) PRIORITY.—In making disbursements from the relief fund established under subsection (a), the Secretary shall give priority consideration to programs serving under-served communities.

(3) DISTRIBUTION RATE.—The Secretary shall disburse amounts not less than the following percentages of the total amount in the fund established under subsection (a) within the number of days designated in the following subparagraphs after the date of the enactment of this Act:

(A) 25 percent of such amount shall be disbursed within 14 days.

(B) 50 percent of such amount shall be disbursed within 30 days.

(C) 90 percent of such amount shall be disbursed within 60 days.

(d) YOUTH SPORT PROVIDERS.—The term “youth sport provider” means any organization that directly serves youths aged 18 and under. Such term includes—

(1) sports-based youth development organizations,

(2) interscholastic sports programs,
(3) youth sports providers such as coaches, trainers, and instructors, and
(4) youth sport event providers.