

105TH CONGRESS
1ST SESSION

H. R. 1327

To amend the Internal Revenue Code of 1986 to provide for a child tax credit.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1997

Mr. CAMP introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for a child tax credit.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Tax Relief Act
5 of 1997”.

6 **SEC. 2. CHILD TAX CREDIT.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 23 the following new
2 section:

3 **“SEC. 24. CHILD TAX CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—There shall be al-
5 lowed as a credit against the tax imposed by this chapter
6 for the taxable year an amount equal to \$500 multiplied
7 by the number of qualifying children of the taxpayer.

8 “(b) LIMITATION.—

9 “(1) IN GENERAL.—The amount of the credit
10 which would (but for this subsection) be allowed by
11 subsection (a) shall be reduced (but not below zero)
12 by \$25 for each \$1,000 (or fraction thereof) by
13 which the taxpayer’s adjusted gross income exceeds
14 the threshold amount.

15 “(2) THRESHOLD AMOUNT.—For purposes of
16 paragraph (1), the term ‘threshold amount’ means—

17 “(A) \$110,000 in the case of a joint re-
18 turn,

19 “(B) \$75,000 in the case of an individual
20 who is not married, and

21 “(C) \$55,000 in the case of a married in-
22 dividual filing a separate return.

23 For purposes of this paragraph, marital status shall
24 be determined under section 7703.

1 “(c) QUALIFYING CHILD.—For purposes of this sec-
2 tion—

3 “(1) IN GENERAL.—The term ‘qualifying child’
4 means any individual if—

5 “(A) the taxpayer is allowed a deduction
6 under section 151 with respect to such individ-
7 ual for such taxable year,

8 “(B) such individual has not attained the
9 age of 18 as of the close of the calendar year
10 in which the taxable year of the taxpayer be-
11 gins, and

12 “(C) such individual bears a relationship to
13 the taxpayer described in section 32(c)(3)(B)
14 (determined without regard to clause (ii) there-
15 of).

16 “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—
17 The term ‘qualifying child’ shall not include any in-
18 dividual who would not be a dependent if the first
19 sentence of section 152(b)(3) were applied without
20 regard to all that follows ‘resident of the United
21 States’.

22 “(d) TAXABLE YEAR MUST BE FULL TAXABLE
23 YEAR.—Except in the case of a taxable year closed by rea-
24 son of the death of the taxpayer, no credit shall be allow-

1 able under this section in the case of a taxable year cover-
2 ing a period of less than 12 months.”

3 (b) CONFORMING AMENDMENT.—The table of sec-
4 tions for subpart A of part IV of subchapter A of chapter
5 1 of such Code is amended by inserting after the item
6 relating to section 23 the following new item:

“Sec. 24. Child tax credit.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 1996.

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