

106TH CONGRESS
1ST SESSION

S. 1518

To amend the Internal Revenue Code of 1986 to provide an income tax credit to long-term caregivers.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 1999

Mr. BAYH 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 to long-term caregivers.

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 “Caregivers Assistance
5 and Resources Enhancement (CARE) Tax Credit Act”.

6 **SEC. 2. LONG-TERM CARE TAX CREDIT.**

7 (a) ALLOWANCE OF CREDIT.—

8 (1) IN GENERAL.—Section 24(a) of the Internal
9 Revenue Code of 1986 (relating to allowance of child
10 tax credit) is amended to read as follows:

1 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 2 lowed as a credit against the tax imposed by this chapter
 3 for the taxable year an amount equal to the sum of—

4 “(1) \$500 multiplied by the number of quali-
 5 fying children of the taxpayer, plus

6 “(2) \$1,000 multiplied by the number of appli-
 7 cable individuals with respect to whom the taxpayer
 8 is an eligible caregiver for the taxable year.”

9 (2) ADDITIONAL CREDIT FOR TAXPAYER WITH
 10 3 OR MORE SEPARATE CREDIT AMOUNTS.—So much
 11 of section 24(d) of such Code as precedes paragraph
 12 (1)(A) thereof is amended to read as follows:

13 “(d) ADDITIONAL CREDIT FOR TAXPAYERS WITH 3
 14 OR MORE SEPARATE CREDIT AMOUNTS.—

15 “(1) IN GENERAL.—If the sum of the number
 16 of qualifying children of the taxpayer and the num-
 17 ber of applicable individuals with respect to which
 18 the taxpayer is an eligible caregiver is 3 or more for
 19 any taxable year, the aggregate credits allowed
 20 under subpart C shall be increased by the lesser
 21 of—”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) The heading for section 32(n) of such
 24 Code is amended by striking “CHILD” and in-
 25 serting “FAMILY CARE”.

1 (B) The heading for section 24 of such
2 Code is amended to read as follows:

3 **“SEC. 24. FAMILY CARE CREDIT.”**

4 (C) The table of sections for subpart A of
5 part IV of subchapter A of chapter 1 of such
6 Code is amended by striking the item relating
7 to section 24 and inserting the following new
8 item:

“Sec. 24. Family care credit.”

9 (b) DEFINITIONS.—Section 24(c) of the Internal
10 Revenue Code of 1986 (defining qualifying child) is
11 amended to read as follows:

12 “(c) DEFINITIONS.—For purposes of this section—

13 “(1) QUALIFYING CHILD.—

14 “(A) IN GENERAL.—The term ‘qualifying
15 child’ means any individual if—

16 “(i) the taxpayer is allowed a deduc-
17 tion under section 151 with respect to such
18 individual for the taxable year,

19 “(ii) such individual has not attained
20 the age of 17 as of the close of the cal-
21 endar year in which the taxable year of the
22 taxpayer begins, and

23 “(iii) such individual bears a relation-
24 ship to the taxpayer described in section
25 32(c)(3)(B).

1 “(B) EXCEPTION FOR CERTAIN NONCITI-
2 ZENS.—The term ‘qualifying child’ shall not in-
3 clude any individual who would not be a de-
4 pendent if the first sentence of section
5 152(b)(3) were applied without regard to all
6 that follows ‘resident of the United States’.

7 “(2) APPLICABLE INDIVIDUAL.—

8 “(A) IN GENERAL.—The term ‘applicable
9 individual’ means, with respect to any taxable
10 year, any individual who has been certified, be-
11 fore the due date for filing the return of tax for
12 the taxable year (without extensions), by a phy-
13 sician (as defined in section 1861(r)(1) of the
14 Social Security Act) as being an individual with
15 long-term care needs described in subparagraph
16 (B) for a period—

17 “(i) which is at least 180 consecutive
18 days, and

19 “(ii) a portion of which occurs within
20 the taxable year.

21 Such term shall not include any individual oth-
22 erwise meeting the requirements of the pre-
23 ceding sentence unless within the 39½ month
24 period ending on such due date (or such other
25 period as the Secretary prescribes) a physician

1 (as so defined) has certified that such indi-
2 vidual meets such requirements.

3 “(B) INDIVIDUALS WITH LONG-TERM CARE
4 NEEDS.—An individual is described in this sub-
5 paragraph if the individual meets any of the fol-
6 lowing requirements:

7 “(i) The individual is at least 6 years
8 of age and—

9 “(I) is unable to perform (with-
10 out substantial assistance from an-
11 other individual) at least 3 activities
12 of daily living (as defined in section
13 7702B(c)(2)(B)) due to a loss of
14 functional capacity, or

15 “(II) requires substantial super-
16 vision to protect such individual from
17 threats to health and safety due to se-
18 vere cognitive impairment and is un-
19 able to perform at least 1 activity of
20 daily living (as so defined) or to the
21 extent provided in regulations pre-
22 scribed by the Secretary (in consulta-
23 tion with the Secretary of Health and
24 Human Services), is unable to engage
25 in age appropriate activities.

1 “(ii) The individual is at least 2 but
2 not 6 years of age and is unable due to a
3 loss of functional capacity to perform
4 (without substantial assistance from an-
5 other individual) at least 2 of the following
6 activities: eating, transferring, or mobility.

7 “(iii) The individual is under 2 years
8 of age and requires specific durable med-
9 ical equipment by reason of a severe health
10 condition or requires a skilled practitioner
11 trained to address the individual’s condi-
12 tion to be available if the individual’s par-
13 ents or guardians are absent.

14 “(3) ELIGIBLE CAREGIVER.—

15 “(A) IN GENERAL.—A taxpayer shall be
16 treated as an eligible caregiver for any taxable
17 year with respect to the following individuals:

18 “(i) The taxpayer.

19 “(ii) The taxpayer’s spouse.

20 “(iii) An individual with respect to
21 whom the taxpayer is allowed a deduction
22 under section 151 for the taxable year.

23 “(iv) An individual who would be de-
24 scribed in clause (iii) for the taxable year
25 if section 151(c)(1)(A) were applied by

1 substituting for the exemption amount an
2 amount equal to the sum of the exemption
3 amount, the standard deduction under sec-
4 tion 63(c)(2)(C), and any additional stand-
5 ard deduction under section 63(c)(3) which
6 would be applicable to the individual if
7 clause (iii) applied.

8 “(v) An individual who would be de-
9 scribed in clause (iii) for the taxable year
10 if—

11 “(I) the requirements of clause
12 (iv) are met with respect to the indi-
13 vidual, and

14 “(II) the requirements of sub-
15 paragraph (B) are met with respect to
16 the individual in lieu of the support
17 test of section 152(a).

18 “(B) RESIDENCY TEST.—The require-
19 ments of this subparagraph are met if an indi-
20 vidual has as his principal place of abode the
21 home of the taxpayer and—

22 “(i) in the case of an individual who
23 is an ancestor or descendant of the tax-
24 payer or the taxpayer’s spouse, is a mem-

1 ber of the taxpayer’s household for over
2 half the taxable year, or

3 “(ii) in the case of any other indi-
4 vidual, is a member of the taxpayer’s
5 household for the entire taxable year.

6 “(C) SPECIAL RULES WHERE MORE THAN
7 1 ELIGIBLE CAREGIVER.—

8 “(i) IN GENERAL.—If more than 1 in-
9 dividual is an eligible caregiver with re-
10 spect to the same applicable individual for
11 taxable years ending with or within the
12 same calendar year, a taxpayer shall be
13 treated as the eligible caregiver if each
14 such individual (other than the taxpayer)
15 files a written declaration (in such form
16 and manner as the Secretary may pre-
17 scribe) that such individual will not claim
18 such applicable individual for the credit
19 under this section.

20 “(ii) NO AGREEMENT.—If each indi-
21 vidual required under clause (i) to file a
22 written declaration under clause (i) does
23 not do so, the individual with the highest
24 modified adjusted gross income (as defined

1 in section 32(c)(5)) shall be treated as the
2 eligible caregiver.

3 “(iii) MARRIED INDIVIDUALS FILING
4 SEPARATELY.—In the case of married indi-
5 viduals filing separately, the determination
6 under this subparagraph as to whether the
7 husband or wife is the eligible caregiver
8 shall be made under the rules of clause (ii)
9 (whether or not one of them has filed a
10 written declaration under clause (i)).”

11 (c) IDENTIFICATION REQUIREMENTS.—

12 (1) IN GENERAL.—Section 24(e) of the Internal
13 Revenue Code of 1986 is amended by adding at the
14 end the following new sentence: “No credit shall be
15 allowed under this section to a taxpayer with respect
16 to any applicable individual unless the taxpayer in-
17 cludes the name and taxpayer identification number
18 of such individual, and the identification number of
19 the physician certifying such individual, on the re-
20 turn of tax for the taxable year.”

21 (2) ASSESSMENT.—Section 6213(g)(2)(I) of
22 such Code is amended—

23 (A) by inserting “or physician identifica-
24 tion” after “correct TIN”, and

1 (B) by striking “child” and inserting
2 “family care”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 1999.

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