

106TH CONGRESS
2D SESSION

S. 2096

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

FEBRUARY 24, 2000

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.—

2 “(1) IN GENERAL.—There shall be allowed as a
 3 credit against the tax imposed by this chapter for
 4 the taxable year an amount equal to the sum of—

5 “(A) \$500 multiplied by the number of
 6 qualifying children of the taxpayer, plus

7 “(B) the applicable dollar amount multi-
 8 plied by the number of applicable individuals
 9 with respect to whom the taxpayer is an eligible
 10 caregiver for the taxable year.

11 “(2) APPLICABLE DOLLAR AMOUNT.—For pur-
 12 poses of paragraph (1)(B), the applicable dollar
 13 amount for taxable years beginning in any calendar
 14 year shall be determined in accordance with the fol-
 15 lowing table:

“Calendar year:	Applicable dollar amount:
2001	\$1,000
2002	\$1,500
2003	\$2,000
2004	\$2,500
2005 and thereafter	\$3,000.”

16 (2) ADDITIONAL CREDIT FOR TAXPAYER WITH
 17 3 OR MORE SEPARATE CREDIT AMOUNTS.—So much
 18 of section 24(d) of such Code as precedes paragraph
 19 (1)(A) thereof is amended to read as follows:

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

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

8 (3) CONFORMING AMENDMENTS.—

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

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

14 **“SEC. 24. FAMILY CARE CREDIT.”**

15 (C) The table of sections for subpart A of
16 part IV of subchapter A of chapter 1 of such
17 Code is amended by striking the item relating
18 to section 24 and inserting the following new
19 item:

“Sec. 24. Family care credit.”

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

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

24 “(1) QUALIFYING CHILD.—

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

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

6 “(ii) such individual has not attained
7 the age of 17 as of the close of the cal-
8 endar year in which the taxable year of the
9 taxpayer begins, and

10 “(iii) such individual bears a relation-
11 ship to the taxpayer described in section
12 32(c)(3)(B).

13 “(B) EXCEPTION FOR CERTAIN NONCITI-
14 ZENS.—The term ‘qualifying child’ shall not in-
15 clude any individual who would not be a de-
16 pendent if the first sentence of section
17 152(b)(3) were applied without regard to all
18 that follows ‘resident of the United States’.

19 “(2) APPLICABLE INDIVIDUAL.—

20 “(A) IN GENERAL.—The term ‘applicable
21 individual’ means, with respect to any taxable
22 year, any individual who has been certified, be-
23 fore the due date for filing the return of tax for
24 the taxable year (without extensions), by a phy-
25 sician (as defined in section 1861(r)(1) of the

1 Social Security Act) as being an individual with
2 long-term care needs described in subparagraph
3 (B) for a period—

4 “(i) which is at least 180 consecutive
5 days, and

6 “(ii) a portion of which occurs within
7 the taxable year.

8 Such term shall not include any individual oth-
9 erwise meeting the requirements of the pre-
10 ceeding sentence unless within the 39½ month
11 period ending on such due date (or such other
12 period as the Secretary prescribes) a physician
13 (as so defined) has certified that such indi-
14 vidual meets such requirements.

15 “(B) INDIVIDUALS WITH LONG-TERM CARE
16 NEEDS.—An individual is described in this sub-
17 paragraph if the individual meets any of the fol-
18 lowing requirements:

19 “(i) The individual is at least 6 years
20 of age and—

21 “(I) is unable to perform (with-
22 out substantial assistance from an-
23 other individual) at least 3 activities
24 of daily living (as defined in section

1 7702B(c)(2)(B)) due to a loss of
2 functional capacity, or

3 “(II) requires substantial super-
4 vision to protect such individual from
5 threats to health and safety due to se-
6 vere cognitive impairment and is un-
7 able to perform at least 1 activity of
8 daily living (as so defined) or to the
9 extent provided in regulations pre-
10 scribed by the Secretary (in consulta-
11 tion with the Secretary of Health and
12 Human Services), is unable to engage
13 in age appropriate activities.

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

20 “(iii) The individual is under 2 years
21 of age and requires specific durable med-
22 ical equipment by reason of a severe health
23 condition or requires a skilled practitioner
24 trained to address the individual’s condi-

1 tion to be available if the individual’s par-
2 ents or guardians are absent.

3 “(3) ELIGIBLE CAREGIVER.—

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

7 “(i) The taxpayer.

8 “(ii) The taxpayer’s spouse.

9 “(iii) An individual with respect to
10 whom the taxpayer is allowed a deduction
11 under section 151 for the taxable year.

12 “(iv) An individual who would be de-
13 scribed in clause (iii) for the taxable year
14 if section 151(c)(1)(A) were applied by
15 substituting for the exemption amount an
16 amount equal to the sum of the exemption
17 amount, the standard deduction under sec-
18 tion 63(c)(2)(C), and any additional stand-
19 ard deduction under section 63(c)(3) which
20 would be applicable to the individual if
21 clause (iii) applied.

22 “(v) An individual who would be de-
23 scribed in clause (iii) for the taxable year
24 if—

1 “(I) the requirements of clause
2 (iv) are met with respect to the indi-
3 vidual, and

4 “(II) the requirements of sub-
5 paragraph (B) are met with respect to
6 the individual in lieu of the support
7 test of section 152(a).

8 “(B) RESIDENCY TEST.—The require-
9 ments of this subparagraph are met if an indi-
10 vidual has as his principal place of abode the
11 home of the taxpayer and—

12 “(i) in the case of an individual who
13 is an ancestor or descendant of the tax-
14 payer or the taxpayer’s spouse, is a mem-
15 ber of the taxpayer’s household for over
16 half the taxable year, or

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

20 “(C) SPECIAL RULES WHERE MORE THAN
21 1 ELIGIBLE CAREGIVER.—

22 “(i) IN GENERAL.—If more than 1 in-
23 dividual is an eligible caregiver with re-
24 spect to the same applicable individual for
25 taxable years ending with or within the

1 same calendar year, a taxpayer shall be
2 treated as the eligible caregiver if each
3 such individual (other than the taxpayer)
4 files a written declaration (in such form
5 and manner as the Secretary may pre-
6 scribe) that such individual will not claim
7 such applicable individual for the credit
8 under this section.

9 “(ii) NO AGREEMENT.—If each indi-
10 vidual required under clause (i) to file a
11 written declaration under clause (i) does
12 not do so, the individual with the highest
13 modified adjusted gross income (as defined
14 in section 32(c)(5)) shall be treated as the
15 eligible caregiver.

16 “(iii) MARRIED INDIVIDUALS FILING
17 SEPARATELY.—In the case of married indi-
18 viduals filing separately, the determination
19 under this subparagraph as to whether the
20 husband or wife is the eligible caregiver
21 shall be made under the rules of clause (ii)
22 (whether or not one of them has filed a
23 written declaration under clause (i)).”

24 (c) IDENTIFICATION REQUIREMENTS.—

1 (1) IN GENERAL.—Section 24(e) of the Internal
2 Revenue Code of 1986 is amended by adding at the
3 end the following new sentence: “No credit shall be
4 allowed under this section to a taxpayer with respect
5 to any applicable individual unless the taxpayer in-
6 cludes the name and taxpayer identification number
7 of such individual, and the identification number of
8 the physician certifying such individual, on the re-
9 turn of tax for the taxable year.”

10 (2) ASSESSMENT.—Section 6213(g)(2)(I) of
11 such Code is amended—

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

14 (B) by striking “child” and inserting
15 “family care”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2000.

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