

106TH CONGRESS  
1ST SESSION

# S. 670

To amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 19, 1999

Mr. JEFFORDS (for himself and Mr. DODD) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes.

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. EXCLUSION FOR FOSTER CARE PAYMENTS TO**  
4                               **APPLY TO PAYMENTS BY QUALIFYING PLACE-**  
5                               **MENT AGENCIES.**

6       (a) IN GENERAL.—The matter preceding subpara-  
7       graph (B) of section 131(b)(1) of the Internal Revenue

1 Code of 1986 (defining qualified foster care payment) is  
 2 amended to read as follows:

3 “(1) IN GENERAL.—The term ‘qualified foster  
 4 care payment’ means any payment made pursuant to  
 5 a foster care program of a State or political subdivi-  
 6 sion thereof—

7 “(A) which is paid by—

8 “(i) a State or political subdivision  
 9 thereof, or

10 “(ii) a qualified foster care placement  
 11 agency, and”.

12 (b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE  
 13 INDIVIDUALS PLACED BY QUALIFYING PLACEMENT  
 14 AGENCIES.—Subparagraph (B) of section 131(b)(2) of  
 15 the Internal Revenue Code of 1986 (defining qualified fos-  
 16 ter individual) is amended to read as follows:

17 “(B) a qualified foster care placement  
 18 agency.”

19 (c) QUALIFIED FOSTER CARE PLACEMENT AGENCY  
 20 DEFINED.—Section 131(b) of the Internal Revenue Code  
 21 of 1986 is amended by redesignating paragraph (3) as  
 22 paragraph (4) and by inserting after paragraph (2) the  
 23 following:

24 “(3) QUALIFIED FOSTER CARE PLACEMENT  
 25 AGENCY.—The term ‘qualified foster care placement

1       agency' means any placement agency which is li-  
2       censed or certified by a State or political subdivision  
3       thereof to make foster care payments to providers of  
4       foster care."

5       (d) EFFECTIVE DATE.—The amendments made by  
6       this section shall apply to taxable years beginning after  
7       December 31, 1998.

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