

106TH CONGRESS  
1ST SESSION

# S. 87

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

JANUARY 19, 1999

Mr. BUNNING 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) any other placement agency  
 11 which is licensed by, or contracts (directly  
 12 or indirectly) with, a State (or political  
 13 subdivision thereof) for such foster care  
 14 program, and”.

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

20 “(B) any other placement agency which is  
 21 licensed by, or contracts (directly or indirectly)  
 22 with, a State (or political subdivision thereof)  
 23 for a foster care program of such State (or po-  
 24 litical subdivision thereof).”

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

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