

107TH CONGRESS  
2D SESSION

# H. R. 4909

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2002

Mr. PAUL (for himself and Mr. SCHAFER) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents.

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 “Child Health Care Af-  
5 fordability Act”.

6 **SEC. 2. CREDIT FOR MEDICAL EXPENSES FOR DEPEND-**  
7 **ENTS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of  
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25A the following new  
2 section:

3 **“SEC. 25B. MEDICAL EXPENSES FOR DEPENDENTS.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
5 dividual, there shall be allowed as a credit against the tax  
6 imposed by this chapter for the taxable year an amount  
7 equal to the expenses paid during the taxable year, not  
8 compensated for by insurance or otherwise, for medical  
9 care for any dependent of the taxpayer.

10 “(b) LIMITATIONS.—

11 “(1) IN GENERAL.—Except as provided in para-  
12 graph (2), the credit allowed by this section shall not  
13 exceed \$500 per dependent for any taxable year.

14 “(2) INCREASED CREDIT FOR TERMINAL DIS-  
15 EASES, ETC.—In the case of expenses for medical  
16 care of a dependent who has a terminal disease, can-  
17 cer (whether or not in remission), a disability, or  
18 any other health condition requiring hospitalization  
19 or other forms of specialized care, the credit allowed  
20 by this section shall not exceed \$3,000 for each such  
21 dependent for any taxable year.

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

23 “(1) MEDICAL CARE.—The term ‘medical care’  
24 has the meaning given such term by section 213.

1           “(2) DEPENDENT.—The term ‘dependent’ has  
2           the meaning given such term by section 152.

3           “(3) DISABILITY.—The term ‘disability’ means  
4           a condition that requires qualified long-term care  
5           services (as defined in section 7702B(e)).

6           “(d) EXCLUSION OF AMOUNTS ALLOWED FOR CARE  
7           OF CERTAIN DEPENDENTS.—Any expense allowed as a  
8           credit under section 21 shall not be treated as an expense  
9           paid for medical care under this section.

10          “(e) ADJUSTMENTS FOR INFLATION.—

11               “(1) IN GENERAL.—In the case of any taxable  
12               year beginning in a calendar year after 2001, the  
13               \$500 amount contained in subsection (b)(1), and the  
14               \$3,000 amount contained in subsection (b)(2), shall  
15               each be increased by an amount equal to—

16                       “(A) such dollar amount, multiplied by

17                       “(B) the cost-of-living adjustment deter-  
18                       mined under section 1(f)(3) for the calendar  
19                       year in which the taxable year begins by sub-  
20                       stituting ‘calendar year 2000’ for ‘calendar year  
21                       1992’ in subparagraph (B) thereof.

22           “(2) ROUNDING.—If any increase determined  
23           under paragraph (1) is not a multiple of \$10, such  
24           increase shall be rounded to the next highest mul-  
25           tiple of \$10.”.

1       “(e) REGULATIONS.—The Secretary shall prescribe  
2 regulations to carry out this section, including regulations  
3 providing for claiming the credit under this section on  
4 Form 1040EZ.”

5       (b) CLERICAL AMENDMENT.—The table of sections  
6 for such subpart A is amended by inserting after the item  
7 relating to section 25A the following new item:

“Sec. 25B. Medical expenses for dependents.”

8       (c) DENIAL OF DOUBLE BENEFIT FOR MEDICAL EX-  
9 PENSES DEDUCTION.—Subsection (e) of section 213 of  
10 such Code is amended by inserting “or 25B” after “sec-  
11 tion 21”.

12       (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to amounts paid after the date of  
14 the enactment of this Act in taxable years ending after  
15 such date.

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