

107TH CONGRESS  
1ST SESSION

# S. 844

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 qualified placement agencies, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 8, 2001

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 qualified 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 QUALIFIED 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 QUALIFIED PLACEMENT AGEN-  
 14 CIES.—Subparagraph (B) of section 131(b)(2) of such  
 15 Code (defining qualified foster individual) is amended to  
 16 read as follows:

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

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

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—

3               “(A) a State or political subdivision there-  
4       of, or

5               “(B) an entity designated by a State or  
6       political subdivision thereof,

7       for the foster care program of such State or political  
8       subdivision thereof to make foster care payments to  
9       providers of foster care.”

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

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