

108TH CONGRESS  
1ST SESSION

# H. R. 2392

To amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2003

Mr. CASTLE (for himself, Mr. TANNER, Mr. UPTON, Mr. MOORE, Mr. BOEHLERT, and Mr. ALEXANDER) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, 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. SHORT TITLE.**

4 This Act may be cited as the “Relief for Working  
5 Families Tax Act of 2003”.

## 6 **TITLE I—CHILD TAX CREDIT**

### 7 **SEC. 101. ACCELERATION OF INCREASE IN REFUNDABILITY** 8 **OF THE CHILD TAX CREDIT.**

9 (a) ACCELERATION OF REFUNDABILITY.—

1           (1) IN GENERAL.—Section 24(d)(1)(B)(i) of the  
2       Internal Revenue Code of 1986 (relating to portion  
3       of credit refundable) is amended by striking “(10  
4       percent in the case of taxable years beginning before  
5       January 1, 2005)”.

6           (2) ADVANCE PAYMENT.—Subsection (b) of sec-  
7       tion 6429 of such Code (relating to advance pay-  
8       ment of portion of increased child credit for 2003)  
9       is amended by striking “and” at the end of para-  
10      graph (2), by striking the period at the end of para-  
11      graph (3) and inserting “, and”, and by adding at  
12      the end the following new paragraph:

13           “(4) section 24(d)(1)(B)(i) applied without re-  
14      gard to the first parenthetical therein.”.

15           (3) EARNED INCOME INCLUDES COMBAT PAY.—  
16      Section 24(d)(1) of such Code is amended by adding  
17      at the end the following new sentence: “For pur-  
18      poses of subparagraph (B), any amount excluded  
19      from gross income by reason of section 112 shall be  
20      treated as earned income which is taken into ac-  
21      count in computing taxable income for the taxable  
22      year.”.

23      (b) EFFECTIVE DATES.—

24           (1) SUBSECTIONS (a)(1) AND (a)(3).—The  
25      amendments made by subsections (a)(1) and (a)(3)

1 shall apply to taxable years beginning after Decem-  
2 ber 31, 2002.

3 (2) SUBSECTION (a)(2).—The amendments  
4 made by subsection (a)(2) shall take effect as if in-  
5 cluded in the amendments made by section 101(b)  
6 of the Jobs and Growth Tax Relief Reconciliation  
7 Act of 2003.

8 **SEC. 102. REDUCTION IN MARRIAGE PENALTY IN CHILD**  
9 **TAX CREDIT.**

10 (a) IN GENERAL.—Section 24(b)(2) of the Internal  
11 Revenue Code of 1986 (defining threshold amount) is  
12 amended—

13 (1) by inserting “(\$115,000 for taxable years  
14 beginning in 2008 or 2009, and \$150,000 for tax-  
15 able years beginning in 2010)” after “\$110,000”,  
16 and

17 (2) by striking “\$55,000” in subparagraph (C)  
18 and inserting “ $\frac{1}{2}$  of the amount in effect under sub-  
19 paragraph (A)”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2002.

1 **SEC. 103. APPLICATION OF EGTRRA SUNSET TO THIS SEC-**  
 2 **TION.**

3 Each amendment made by this title shall be subject  
 4 to title IX of the Economic Growth and Tax Relief Rec-  
 5 onciliation Act of 2001 to the same extent and in the same  
 6 manner as the provision of such Act to which such amend-  
 7 ment relates.

8 **TITLE II—UNIFORM DEFINITION**  
 9 **OF CHILD**

10 **SEC. 201. UNIFORM DEFINITION OF CHILD, ETC.**

11 Section 152 of the Internal Revenue Code of 1986  
 12 is amended to read as follows:

13 **“SEC. 152. DEPENDENT DEFINED.**

14 “(a) IN GENERAL.—For purposes of this subtitle, the  
 15 term ‘dependent’ means—

16 “(1) a qualifying child, or

17 “(2) a qualifying relative.

18 “(b) EXCEPTIONS.—For purposes of this section—

19 “(1) DEPENDENTS INELIGIBLE.—If an indi-  
 20 vidual is a dependent of a taxpayer for any taxable  
 21 year of such taxpayer beginning in a calendar year,  
 22 such individual shall be treated as having no depend-  
 23 ents for any taxable year of such individual begin-  
 24 ning in such calendar year.

25 “(2) MARRIED DEPENDENTS.—An individual  
 26 shall not be treated as a dependent of a taxpayer

1 under subsection (a) if such individual has made a  
2 joint return with the individual's spouse under sec-  
3 tion 6013 for the taxable year beginning in the cal-  
4 endar year in which the taxable year of the taxpayer  
5 begins.

6 “(3) CITIZENS OR NATIONALS OF OTHER COUN-  
7 TRIES.—

8 “(A) IN GENERAL.—The term ‘dependent’  
9 does not include an individual who is not a cit-  
10 izen or national of the United States unless  
11 such individual is a resident of the United  
12 States or a country contiguous to the United  
13 States.

14 “(B) EXCEPTION FOR ADOPTED CHILD.—  
15 Subparagraph (A) shall not exclude any child of  
16 a taxpayer (within the meaning of subsection  
17 (f)(1)(B)) from the definition of ‘dependent’  
18 if—

19 “(i) for the taxable year of the tax-  
20 payer, the child's principal place of abode  
21 is the home of the taxpayer, and

22 “(ii) the taxpayer is a citizen or na-  
23 tional of the United States.

24 “(c) QUALIFYING CHILD.—For purposes of this sec-  
25 tion—

1           “(1) IN GENERAL.—The term ‘qualifying child’  
2       means, with respect to any taxpayer for any taxable  
3       year, an individual—

4           “(A) who bears a relationship to the tax-  
5       payer described in paragraph (2),

6           “(B) who has the same principal place of  
7       abode as the taxpayer for more than one-half of  
8       such taxable year,

9           “(C) who meets the age requirements of  
10      paragraph (3), and

11          “(D) who has not provided over one-half of  
12      such individual’s own support for the calendar  
13      year in which the taxable year of the taxpayer  
14      begins.

15          “(2) RELATIONSHIP TEST.—For purposes of  
16      paragraph (1)(A), an individual bears a relationship  
17      to the taxpayer described in this paragraph if such  
18      individual is—

19          “(A) a child of the taxpayer or a descend-  
20      ant of such a child, or

21          “(B) a brother, sister, stepbrother, or step-  
22      sister of the taxpayer or a descendant of any  
23      such relative.

24          “(3) AGE REQUIREMENTS.—

“(A) IN GENERAL.—For purposes of paragraph (1)(C), an individual meets the requirements of this paragraph if such individual—

“(i) has not attained the age of 19 as of the close of the calendar year in which the taxable year of the taxpayer begins, or

“(ii) is a student who has not attained the age of 24 as of the close of such calendar year.

“(B) SPECIAL RULE FOR DISABLED.—In the case of an individual who is permanently and totally disabled (as defined in section 22(e)(3)) at any time during such calendar year, the requirements of subparagraph (A) shall be treated as met with respect to such individual.

“(4) SPECIAL RULE RELATING TO 2 OR MORE CLAIMING QUALIFYING CHILD.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) and subsection (e), if (but for this paragraph) an individual may be and is claimed as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who is—

1 “(i) a parent of the individual, or

2 “(ii) if clause (i) does not apply, the  
3 taxpayer with the highest adjusted gross  
4 income for such taxable year.

5 “(B) MORE THAN 1 PARENT CLAIMING  
6 QUALIFYING CHILD.—If the parents claiming  
7 any qualifying child do not file a joint return  
8 together, such child shall be treated as the  
9 qualifying child of—

10 “(i) the parent with whom the child  
11 resided for the longest period of time dur-  
12 ing the taxable year, or

13 “(ii) if the child resides with both par-  
14 ents for the same amount of time during  
15 such taxable year, the parent with the  
16 highest adjusted gross income.

17 “(d) QUALIFYING RELATIVE.—For purposes of this  
18 section—

19 “(1) IN GENERAL.—The term ‘qualifying rel-  
20 ative’ means, with respect to any taxpayer for any  
21 taxable year, an individual—

22 “(A) who bears a relationship to the tax-  
23 payer described in paragraph (2),

24 “(B) whose gross income for the calendar  
25 year in which such taxable year begins is less



1           than the exemption amount (as defined in sec-  
2           tion 151(d)),

3           “(C) with respect to whom the taxpayer  
4           provides over one-half of the individual’s sup-  
5           port for the calendar year in which such taxable  
6           year begins, and

7           “(D) who is not a qualifying child of such  
8           taxpayer or of any other taxpayer for any tax-  
9           able year beginning in the calendar year in  
10          which such taxable year begins.

11          “(2) RELATIONSHIP.—For purposes of para-  
12          graph (1)(A), an individual bears a relationship to  
13          the taxpayer described in this paragraph if the indi-  
14          vidual is any of the following with respect to the tax-  
15          payer:

16                  “(A) A child or a descendant of a child.

17                  “(B) A brother, sister, stepbrother, or  
18                  stepsister.

19                  “(C) The father or mother, or an ancestor  
20                  of either.

21                  “(D) A stepfather or stepmother.

22                  “(E) A son or daughter of a brother or sis-  
23                  ter of the taxpayer.

24                  “(F) A brother or sister of the father or  
25                  mother of the taxpayer.

1           “(G) A son-in-law, daughter-in-law, father-  
2           in-law, mother-in-law, brother-in-law, or sister-  
3           in-law.

4           “(H) An individual (other than an indi-  
5           vidual who at any time during the taxable year  
6           was the spouse, determined without regard to  
7           section 7703, of the taxpayer) who, for the tax-  
8           able year of the taxpayer, has as such individ-  
9           ual’s principal place of abode the home of the  
10          taxpayer and is a member of the taxpayer’s  
11          household.

12          “(3) SPECIAL RULE RELATING TO MULTIPLE  
13          SUPPORT AGREEMENTS.—For purposes of paragraph  
14          (1)(C), over one-half of the support of an individual  
15          for a calendar year shall be treated as received from  
16          the taxpayer if—

17               “(A) no one person contributed over one-  
18               half of such support,

19               “(B) over one-half of such support was re-  
20               ceived from 2 or more persons each of whom,  
21               but for the fact that any such person alone did  
22               not contribute over one-half of such support,  
23               would have been entitled to claim such indi-  
24               vidual as a dependent for a taxable year begin-  
25               ning in such calendar year,

1           “(C) the taxpayer contributed over 10 per-  
2 cent of such support, and

3           “(D) each person described in subpara-  
4 graph (B) (other than the taxpayer) who con-  
5 tributed over 10 percent of such support files a  
6 written declaration (in such manner and form  
7 as the Secretary may by regulations prescribe)  
8 that such person will not claim such individual  
9 as a dependent for any taxable year beginning  
10 in such calendar year.

11           “(4) SPECIAL RULE RELATING TO INCOME OF  
12 HANDICAPPED DEPENDENTS.—

13           “(A) IN GENERAL.—For purposes of para-  
14 graph (1)(B), the gross income of an individual  
15 who is permanently and totally disabled (as de-  
16 fined in section 22(e)(3)) at any time during  
17 the taxable year shall not include income attrib-  
18 utable to services performed by the individual  
19 at a sheltered workshop if—

20           “(i) the availability of medical care at  
21 such workshop is the principal reason for  
22 the individual’s presence there, and

23           “(ii) the income arises solely from ac-  
24 tivities at such workshop which are inci-  
25 dent to such medical care.

1 “(B) SHELTERED WORKSHOP DEFINED.—

2 For purposes of subparagraph (A), the term

3 ‘sheltered workshop’ means a school—

4 “(i) which provides special instruction

5 or training designed to alleviate the dis-

6 ability of the individual, and

7 “(ii) which is operated by an organi-

8 zation described in section 501(c)(3) and

9 exempt from tax under section 501(a), or

10 by a State, a possession of the United

11 States, any political subdivision of any of

12 the foregoing, the United States, or the

13 District of Columbia.

14 “(5) SPECIAL SUPPORT TEST IN CASE OF STU-

15 DENTS.—For purposes of paragraph (1)(C), in the

16 case of an individual who is—

17 “(A) a child of the taxpayer, and

18 “(B) a student,

19 amounts received as scholarships for study at an

20 educational organization described in section

21 170(b)(1)(A)(ii) shall not be taken into account in

22 determining whether such individual received more

23 than one-half of such individual’s support from the

24 taxpayer.

1           “(6) SPECIAL RULES FOR SUPPORT.—For pur-  
2       poses of this subsection—

3           “(A) payments to a spouse which are in-  
4       cludible in the gross income of such spouse  
5       under section 71 or 682 shall not be treated as  
6       a payment by the payor spouse for the support  
7       of any dependent,

8           “(B) amounts expended for the support of  
9       a child or children shall be treated as received  
10      from the noncustodial parent (as defined in  
11      subsection (e)(3)(B)) to the extent that such  
12      parent provided amounts for such support, and

13          “(C) in the case of the remarriage of a  
14      parent, support of a child received from the  
15      parent’s spouse shall be treated as received  
16      from the parent.

17      “(e) SPECIAL RULE FOR DIVORCED PARENTS.—

18          “(1) IN GENERAL.—Notwithstanding subsection  
19      (c)(4) or (d)(1)(C), if—

20          “(A) a child receives over one-half of the  
21      child’s support during the calendar year from  
22      the child’s parents—

23          “(i) who are divorced or legally sepa-  
24      rated under a decree of divorce or separate  
25      maintenance,

1 “(ii) who are separated under a writ-  
2 ten separation agreement, or

3 “(iii) who live apart at all times dur-  
4 ing the last 6 months of the calendar year,  
5 and

6 “(B) such child is in the custody of 1 or  
7 both of the child’s parents for more than ½ of  
8 the calendar year,  
9 such child shall be treated as being the qualifying  
10 child or qualifying relative of the noncustodial par-  
11 ent for a calendar year if the requirements described  
12 in paragraph (2) are met.

13 “(2) REQUIREMENTS.—For purposes of para-  
14 graph (1), the requirements described in this para-  
15 graph are met if—

16 “(A) a decree of divorce or separate main-  
17 tenance or written separation agreement be-  
18 tween the parents applicable to the taxable year  
19 beginning in such calendar year provides that—

20 “(i) the noncustodial parent shall be  
21 entitled to any deduction allowable under  
22 section 151 for such child, or

23 “(ii) the custodial parent will sign a  
24 written declaration (in such manner and  
25 form as the Secretary may prescribe) that

1           such parent will not claim such child as a  
2           dependent for such taxable year, and

3           “(B) in the case of such an agreement exe-  
4           cuted before January 1, 1985, the noncustodial  
5           parent provides at least \$600 for the support of  
6           such child during such calendar year.

7           “(3) CUSTODIAL PARENT AND NONCUSTODIAL  
8           PARENT.—For purposes of this subsection—

9           “(A) CUSTODIAL PARENT.—The term ‘cus-  
10          todial parent’ means the parent with whom a  
11          child shared the same principal place of abode  
12          for the greater portion of the calendar year.

13          “(B) NONCUSTODIAL PARENT.—The term  
14          ‘noncustodial parent’ means the parent who is  
15          not the custodial parent.

16          “(4) EXCEPTION FOR MULTIPLE-SUPPORT  
17          AGREEMENTS.—This subsection shall not apply in  
18          any case where over one-half of the support of the  
19          child is treated as having been received from a tax-  
20          payer under the provision of subsection (d)(3).

21          “(f) OTHER DEFINITIONS AND RULES.—For pur-  
22          poses of this section—

23          “(1) CHILD DEFINED.—

24                  “(A) IN GENERAL.—The term ‘child’  
25          means an individual who is—

1 “(i) a son, daughter, stepson, or step-  
2 daughter of the taxpayer, or

3 “(ii) an eligible foster child of the tax-  
4 payer.

5 “(B) ADOPTED CHILD.—In determining  
6 whether any of the relationships specified in  
7 subparagraph (A)(i) or paragraph (4) exists, a  
8 legally adopted individual of the taxpayer, or an  
9 individual who is placed with the taxpayer by  
10 an authorized placement agency for adoption by  
11 the taxpayer, shall be treated as a child of such  
12 individual by blood.

13 “(C) ELIGIBLE FOSTER CHILD.—For pur-  
14 poses of subparagraph (A)(ii), the term ‘eligible  
15 foster child’ means an individual who is placed  
16 with the taxpayer by an authorized placement  
17 agency or by judgment, decree, or other order  
18 of any court of competent jurisdiction.

19 “(2) STUDENT DEFINED.—The term ‘student’  
20 means an individual who during each of 5 calendar  
21 months during the calendar year in which the tax-  
22 able year of the taxpayer begins—

23 “(A) is a full-time student at an edu-  
24 cational organization described in section  
25 170(b)(1)(A)(ii), or



1           “(B) is pursuing a full-time course of insti-  
2           tutional on-farm training under the supervision  
3           of an accredited agent of an educational organi-  
4           zation described in section 170(b)(1)(A)(ii) or  
5           of a State or political subdivision of a State.

6           “(3) PLACE OF ABODE.—An individual shall  
7           not be treated as having the same principal place of  
8           abode of the taxpayer if at any time during the tax-  
9           able year of the taxpayer the relationship between  
10          the individual and the taxpayer is in violation of  
11          local law.

12          “(4) BROTHER AND SISTER.—The terms  
13          ‘brother’ and ‘sister’ include a brother or sister by  
14          the half blood.

15          “(5) TREATMENT OF MISSING CHILDREN.—

16                 “(A) IN GENERAL.—Solely for the pur-  
17                 poses referred to in subparagraph (B), a child  
18                 of the taxpayer—

19                         “(i) who is presumed by law enforce-  
20                         ment authorities to have been kidnapped  
21                         by someone who is not a member of the  
22                         family of such child or the taxpayer, and

23                         “(ii) who had, for the taxable year in  
24                         which the kidnapping occurred, the same  
25                         principal place of abode as the taxpayer for

1 more than one-half of the portion of such  
2 year before the date of the kidnapping,  
3 shall be treated as meeting the requirement of  
4 subsection (c)(1)(B) with respect to a taxpayer  
5 for all taxable years ending during the period  
6 that the individual is kidnapped.

7 “(B) PURPOSES.—Subparagraph (A) shall  
8 apply solely for purposes of determining—

9 “(i) the deduction under section  
10 151(c),

11 “(ii) the credit under section 24 (re-  
12 lating to child tax credit),

13 “(iii) whether an individual is a sur-  
14 viving spouse or a head of a household (as  
15 such terms are defined in section 2), and

16 “(iv) the earned income credit under  
17 section 32.

18 “(C) COMPARABLE TREATMENT OF CER-  
19 TAIN QUALIFYING RELATIVES.—For purposes  
20 of this section, a child of the taxpayer—

21 “(i) who is presumed by law enforce-  
22 ment authorities to have been kidnapped  
23 by someone who is not a member of the  
24 family of such child or the taxpayer, and

1 “(ii) who was (without regard to this  
 2 paragraph) a qualifying relative of the tax-  
 3 payer for the portion of the taxable year  
 4 before the date of the kidnapping,  
 5 shall be treated as a qualifying relative of the  
 6 taxpayer for all taxable years ending during the  
 7 period that the child is kidnapped.

8 “(D) TERMINATION OF TREATMENT.—  
 9 Subparagraphs (A) and (C) shall cease to apply  
 10 as of the first taxable year of the taxpayer be-  
 11 ginning after the calendar year in which there  
 12 is a determination that the child is dead (or, if  
 13 earlier, in which the child would have attained  
 14 age 18).

15 “(6) CROSS REFERENCES.—

**“For provision treating child as dependent of both  
 parents for purposes of certain provisions, see sec-  
 tions 105(b), 132(h)(2)(B), and 213(d)(5).”.**

16 **SEC. 202. MODIFICATIONS OF DEFINITION OF HEAD OF**  
 17 **HOUSEHOLD.**

18 (a) HEAD OF HOUSEHOLD.—Clause (i) of section  
 19 2(b)(1)(A) of the Internal Revenue Code of 1986 is  
 20 amended to read as follows:

21 “(i) a qualifying child of the indi-  
 22 vidual (as defined in section 152(c), deter-  
 23 mined without regard to section 152(e)),  
 24 but not if such child—

1 “(I) is married at the close of the  
2 taxpayer’s taxable year, and  
3 “(II) is not a dependent of such  
4 individual by reason of section  
5 152(b)(2) or 152(b)3), or both, or”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 2(b)(2) of the Internal Revenue  
8 Code of 1986 is amended by striking subparagraph  
9 (A) and by redesignating subparagraphs (B), (C),  
10 and (D) as subparagraphs (A), (B), and (C), respec-  
11 tively.

12 (2) Clauses (i) and (ii) of section 2(b)(3)(B) of  
13 such Code are amended to read as follows:

14 “(i) subparagraph (H) of section  
15 152(d)(2), or

16 “(ii) paragraph (3) of section  
17 152(d).”.

18 **SEC. 203. MODIFICATIONS OF DEPENDENT CARE CREDIT.**

19 (a) IN GENERAL.—Section 21(a)(1) of the Internal  
20 Revenue Code of 1986 is amended by striking “In the case  
21 of an individual who maintains a household which includes  
22 as a member one or more qualifying individuals (as de-  
23 fined in subsection (b)(1))” and inserting “In the case of  
24 an individual for which there are 1 or more qualifying indi-

1   viduals (as defined in subsection (b)(1)) with respect to  
2   such individual”.

3           (b) QUALIFYING INDIVIDUAL.—Paragraph (1) of sec-  
4   tion 21(b) of the Internal Revenue Code of 1986 is amend-  
5   ed to read as follows:

6           “(1) QUALIFYING INDIVIDUAL.—The term  
7   ‘qualifying individual’ means—

8           “(A) a dependent of the taxpayer (as de-  
9   fined in section 152(a)(1)) who has not attained  
10   age 13,

11           “(B) a dependent of the taxpayer who is  
12   physically or mentally incapable of caring for  
13   himself or herself and who has the same prin-  
14   cipal place of abode as the taxpayer for more  
15   than one-half of such taxable year, or

16           “(C) the spouse of the taxpayer, if the  
17   spouse is physically or mentally incapable of  
18   caring for himself or herself and who has the  
19   same principal place of abode as the taxpayer  
20   for more than one-half of such taxable year.”.

21           (c) CONFORMING AMENDMENT.—Paragraph (1) of  
22   section 21(e) of the Internal Revenue Code of 1986 is  
23   amended to read as follows:

24           “(1) PLACE OF ABODE.—An individual shall  
25   not be treated as having the same principal place of

1       abode of the taxpayer if at any time during the tax-  
 2       able year of the taxpayer the relationship between  
 3       the individual and the taxpayer is in violation of  
 4       local law.”.

5   **SEC. 204. MODIFICATIONS OF CHILD TAX CREDIT.**

6       (a) IN GENERAL.—Paragraph (1) of section 24(c) of  
 7       the Internal Revenue Code of 1986 is amended to read  
 8       as follows:

9               “(1) IN GENERAL.—The term ‘qualifying child’  
 10       means a qualifying child of the taxpayer (as defined  
 11       in section 152(c)) who has not attained age 17.”.

12       (b) CONFORMING AMENDMENT.—Section 24(c)(2) of  
 13       the Internal Revenue Code of 1986 is amended by striking  
 14       “the first sentence of section 152(b)(3)” and inserting  
 15       “subparagraph (A) of section 152(b)(3)”.

16   **SEC. 205. MODIFICATIONS OF EARNED INCOME CREDIT.**

17       (a) QUALIFYING CHILD.—Paragraph (3) of section  
 18       32(c) of the Internal Revenue Code of 1986 is amended  
 19       to read as follows:

20               “(3) QUALIFYING CHILD.—

21               “(A) IN GENERAL.—The term ‘qualifying  
 22       child’ means a qualifying child of the taxpayer  
 23       (as defined in section 152(c), determined with-  
 24       out regard to paragraph (1)(D) thereof and sec-  
 25       tion 152(e)).

1           “(B) MARRIED INDIVIDUAL.—The term  
 2           ‘qualifying child’ shall not include an individual  
 3           who is married as of the close of the taxpayer’s  
 4           taxable year unless the taxpayer is entitled to  
 5           a deduction under section 151 for such taxable  
 6           year with respect to such individual (or would  
 7           be so entitled but for section 152(e)).

8           “(C) PLACE OF ABODE.—For purposes of  
 9           subparagraph (A), the requirements of section  
 10          152(c)(1)(B) shall be met only if the principal  
 11          place of abode is in the United States.

12          “(D) IDENTIFICATION REQUIREMENTS.—

13               “(i) IN GENERAL.—A qualifying child  
 14               shall not be taken into account under sub-  
 15               section (b) unless the taxpayer includes the  
 16               name, age, and TIN of the qualifying child  
 17               on the return of tax for the taxable year.

18               “(ii) OTHER METHODS.—The Sec-  
 19               retary may prescribe other methods for  
 20               providing the information described in  
 21               clause (i).”.

22          (b) CONFORMING AMENDMENTS.—

23               (1) Section 32(c)(1) of the Internal Revenue  
 24               Code of 1986 is amended by striking subparagraph  
 25               (C) and by redesignating subparagraphs (D), (E),

1 (F), and (G) as subparagraphs (C), (D), (E), and  
 2 (F), respectively.

3 (2) Section 32(c)(4) of such Code is amended  
 4 by striking “(3)(E)” and inserting “(3)(C)”.

5 (3) Section 32(m) of such Code is amended by  
 6 striking “subsections (c)(1)(F)” and inserting “sub-  
 7 sections (c)(1)(E)”.

8 **SEC. 206. MODIFICATIONS OF DEDUCTION FOR PERSONAL**  
 9 **EXEMPTION FOR DEPENDENTS.**

10 Subsection (c) of section 151 of the Internal Revenue  
 11 Code of 1986 is amended to read as follows:

12 “(c) **ADDITIONAL EXEMPTION FOR DEPENDENTS.**—  
 13 An exemption of the exemption amount for each individual  
 14 who is a dependent (as defined in section 152) of the tax-  
 15 payer for the taxable year.”.

16 **SEC. 207. TECHNICAL AND CONFORMING AMENDMENTS.**

17 (1) Section 2(a)(1)(B)(i) of such Code is  
 18 amended by inserting “, determined without regard  
 19 to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
 20 after “section 152”.

21 (2) Section 21(e)(5) of the Internal Revenue  
 22 Code of 1986 is amended—

23 (A) by striking “paragraph (2) or (4) of”  
 24 in subparagraph (A), and



1 (B) by striking “within the meaning of sec-  
2 tion 152(e)(1)” and inserting “as defined in  
3 section 152(e)(3)(A)”.

4 (3) Section 21(e)(6)(B) of such Code is amend-  
5 ed by striking “section 151(c)(3)” and inserting  
6 “section 152(f)(1)”.

7 (4) Section 25B(c)(2)(B) of such Code is  
8 amended by striking “151(c)(4)” and inserting  
9 “152(f)(2)”.

10 (5)(A) Subparagraphs (A) and (B) of section  
11 51(i)(1) of such Code are each amended by striking  
12 “paragraphs (1) through (8) of section 152(a)” both  
13 places it appears and inserting “subparagraphs (A)  
14 through (G) of section 152(d)(2)”.

15 (B) Section 51(i)(1)(C) of such Code is amend-  
16 ed by striking “152(a)(9)” and inserting  
17 “152(d)(2)(H)”.

18 (6) Section 72(t)(2)(D)(i)(III) of such Code is  
19 amended by inserting “, determined without regard  
20 to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
21 after “section 152”.

22 (7) Section 72(t)(7)(A)(iii) of such Code is  
23 amended by striking “151(c)(3)” and inserting  
24 “152(f)(1)”.

1           (8) Section 42(i)(3)(D)(ii)(I) of such Code is  
2       amended by inserting “, determined without regard  
3       to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
4       after “section 152”.

5           (9) Subsections (b) and (c)(1) of section 105 of  
6       such Code are amended by inserting “, determined  
7       without regard to subsections (b)(1), (b)(2), and  
8       (d)(1)(B) thereof” after “section 152”.

9           (10) Section 120(d)(4) of such Code is amend-  
10      ed by inserting “(determined without regard to sub-  
11      sections (b)(1), (b)(2), and (d)(1)(B) thereof)” after  
12      “section 152”.

13          (11) Section 125(e)(1)(D) of such Code is  
14      amended by inserting “, determined without regard  
15      to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
16      after “section 152”.

17          (12) Section 129(c)(2) of such Code is amended  
18      by striking “151(c)(3)” and inserting “152(f)(1)”.

19          (13) The first sentence of section 132(h)(2)(B)  
20      of such Code is amended by striking “151(c)(3)”  
21      and inserting “152(f)(1)”.

22          (14) Section 153 of such Code is amended by  
23      striking paragraph (1) and by redesignating para-  
24      graphs (2), (3), and (4) as paragraphs (1), (2), and  
25      (3), respectively.

1           (15) Section 170(g)(1) of such Code is amend-  
2       ed by inserting “(determined without regard to sub-  
3       sections (b)(1), (b)(2), and (d)(1)(B) thereof” after  
4       “section 152”.

5           (16) Section 170(g)(3) of such Code is amend-  
6       ed by striking “paragraphs (1) through (8) of sec-  
7       tion 152(a)” and inserting “subparagraphs (A)  
8       through (G) of section 152(d)(2)”.

9           (17) Section 213(a) of such Code is amended  
10      by inserting “, determined without regard to sub-  
11      sections (b)(1), (b)(2), and (d)(1)(B) thereof” after  
12      “section 152”.

13          (18) The second sentence of section 213(d)(11)  
14      of such Code is amended by striking “paragraphs  
15      (1) through (8) of section 152(a)” and inserting  
16      “subparagraphs (A) through (G) of section  
17      152(d)(2)”.

18          (19) Section 220(d)(2)(A) of such Code is  
19      amended by inserting “, determined without regard  
20      to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
21      after “section 152”.

22          (20) Section 221(d)(4) of such Code is amend-  
23      ed by inserting “(determined without regard to sub-  
24      sections (b)(1), (b)(2), and (d)(1)(B) thereof” after  
25      “section 152”.

1           (21) Section 529(e)(2)(B) of such Code is  
2           amended by striking “paragraphs (1) through (8) of  
3           section 152(a)” and inserting “subparagraphs (A)  
4           through (G) of section 152(d)(2)”.

5           (22) Section 2032A(c)(7)(D) of such Code is  
6           amended by striking “section 151(c)(4)” and insert-  
7           ing “section 152(f)(2)”.

8           (23) Section 2057(d)(2)(B) of such Code is  
9           amended by inserting “, determined without regard  
10          to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”  
11          after “section 152”.

12          (24) Section 7701(a)(17) of such Code is  
13          amended by striking “152(b)(4), 682,” and inserting  
14          “682”.

15          (25) Section 7702B(f)(2)(C)(iii) of such Code is  
16          amended by striking “paragraphs (1) through (8) of  
17          section 152(a)” and inserting “subparagraphs (A)  
18          through (G) of section 152(d)(2)”.

19          (26) Section 7703(b)(1) of such Code is amend-  
20          ed—

21                  (A) by striking “151(c)(3)” and inserting  
22                  “152(f)(1)”, and

23                  (B) by striking “paragraph (2) or (4) of”.

1 **SEC. 208. EFFECTIVE DATE.**

2       The amendments made by this title shall apply to tax-  
3 able years beginning after December 31, 2003.

4 **TITLE III—CUSTOMS USER FEES**

5 **SEC. 301. EXTENSION OF CUSTOMS USER FEES.**

6       Section 13031(j)(3) of the Consolidated Omnibus  
7 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3))  
8 is amended by striking “September 30, 2003” and insert-  
9 ing “March 31, 2010”.

○