

108TH CONGRESS  
1ST SESSION

# H. R. 2697

To amend the Internal Revenue Code of 1986 to provide an additional personal exemption for certain dependents with long-term care needs.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2003

Mr. BARRETT of South Carolina 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 provide an additional personal exemption for certain dependents with long-term care needs.

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 “Caring Family Act  
5       of 2003”.

6       **SEC. 2. ADDITIONAL PERSONAL EXEMPTION FOR DEPEND-**  
7                               **ENTS WITH LONG-TERM CARE NEEDS IN TAX-**  
8                               **PAYER’S HOME.**

9       (a) IN GENERAL.—Section 151 of the Internal Rev-  
10       enue Code of 1986 (relating to allowance of deductions

1 for personal exemptions) is amended by redesignating sub-  
 2 sections (d) and (e) as subsections (e) and (f), respectively,  
 3 and by inserting after subsection (c) the following new  
 4 subsection:

5 “(d) ADDITIONAL EXEMPTION FOR DEPENDENTS  
 6 WITH LONG-TERM CARE NEEDS IN TAXPAYER’S  
 7 HOME.—

8 “(1) IN GENERAL.—An exemption of the appli-  
 9 cable amount for each qualified family member of  
 10 the taxpayer.

11 “(2) APPLICABLE AMOUNT.—For purposes of  
 12 paragraph (1), the applicable amount is the amount  
 13 determined in accordance with the following table:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable applicable amount is—</b>
2003 and 2004 .....	\$500
2005 and 2006 .....	1,000
2007 and 2008 .....	1,500
2009 and 2010 .....	2,000
2011 and 2012 .....	2,500
2013 and thereafter .....	0.

14 “(3) QUALIFIED FAMILY MEMBER.—For pur-  
 15 poses of this subsection, the term ‘qualified family  
 16 member’ means, with respect to any taxable year,  
 17 any individual—

18 “(A) who is—

19 “(i) the spouse of the taxpayer, or

1 “(ii) a dependent of the taxpayer with  
2 respect to whom the taxpayer is entitled to  
3 an exemption under subsection (c),

4 “(B) who has attained age 60 before the  
5 close of the taxable year,

6 “(C) who is an individual with long-term  
7 care needs, and

8 “(D) who, for more than one-half of the  
9 taxable year, has as such individual’s principal  
10 place of abode the home of the taxpayer and is  
11 a member of the taxpayer’s household.

12 “(4) INDIVIDUALS WITH LONG-TERM CARE  
13 NEEDS.—For purposes of this subsection, the term  
14 ‘individual with long-term care needs’ means, with  
15 respect to any taxable year, an individual who has  
16 been certified during such year by a physician (as  
17 defined in section 1861(r)(1) of the Social Security  
18 Act) as being, for a period of at least 180 consecu-  
19 tive days which includes the date of the certifi-  
20 cation—

21 “(A) an individual who is unable to per-  
22 form (without substantial assistance from an-  
23 other individual) at least 2 activities of daily liv-  
24 ing (as defined in section 7702B(c)(2)(B)) due  
25 to a loss of functional capacity, or

1           “(B) an individual who requires substan-  
2           tial supervision to protect such individual from  
3           threats to health and safety due to severe cog-  
4           nitive impairment and is unable to perform,  
5           without reminding or cuing assistance, at least  
6           1 activity of daily living (as so defined) or to  
7           the extent provided in regulations prescribed by  
8           the Secretary (in consultation with the Sec-  
9           retary of Health and Human Services), is un-  
10          able to engage in age appropriate activities.

11          “(5) IDENTIFICATION REQUIREMENT.—

12                 “(A) IN GENERAL.—No exemption shall be  
13                 allowed under this subsection to a taxpayer  
14                 with respect to any qualified family member un-  
15                 less the taxpayer includes on the return of tax  
16                 for the taxable year—

17                         “(i) the name and TIN of such mem-  
18                         ber, and

19                         “(ii) the name and TIN of the physi-  
20                         cian certifying such member.

21                 “(B) EXCEPTION FOR DUE DILIGENCE.—

22                 In the case of a failure to provide the informa-  
23                 tion required under subparagraph (A)(ii), such  
24                 subparagraph shall not apply if it is shown that

1 the taxpayer exercised due diligence in attempt-  
2 ing to provide the information so required.

3 “(6) SPECIAL RULES.—Rules similar to the  
4 rules of paragraphs (2), (3), and (4) of section 21(e)  
5 shall apply for purposes of this subsection.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1(f)(6)(A) of such Code is amended  
8 by striking “151(d)(4)” and inserting “151(e)(4)”.

9 (2) Section 1(f)(6)(B) of such Code, as amend-  
10 ed by the Economic Growth and Tax Relief Rec-  
11 onciliation Act of 2001, is amended by striking  
12 “151(d)(3)(A)” and inserting “151(e)(3)(A)”.

13 (3) Section 1(f)(6)(B) of such Code, as in effect  
14 on the day before the date of the enactment of the  
15 Economic Growth and Tax Relief Reconciliation Act  
16 of 2001, is amended by striking “151(d)(4)(A)” and  
17 inserting “151(e)(4)(A)”.

18 (4) Section 3402(f)(1)(A) of such Code is  
19 amended by striking “151(d)(2)” and inserting  
20 “151(e)(2)”.

21 (5) Section 3402(r)(2)(B) of such Code is  
22 amended by striking “151(d)” and inserting  
23 “151(e)”.

24 (6) Section 6012(a)(1)(D)(ii) of such Code is  
25 amended—

1                   (A) by striking “151(d)” and inserting  
2                   “151(e)”, and

3                   (B) by striking “151(d)(2)” and inserting  
4                   “151(e)(2)”.

5                   (7) Section 6013(b)(3)(A) of such Code is  
6                   amended by striking “151(d)” and inserting  
7                   “151(e)”.

8                   (c) EFFECTIVE DATE.—The amendments made by  
9                   this section shall apply to taxable years beginning after  
10                  December 31, 2002.

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