

108TH CONGRESS  
1ST SESSION

# S. 1253

To amend the Internal Revenue Code of 1986 to provide a minimum credit of \$200 per month for stay-at-home parents, to allow the dependent care credit to be taken against the minimum tax, and to allow a carryforward of any unused dependent care credit.

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IN THE SENATE OF THE UNITED STATES

JUNE 12, 2003

Ms. MURKOWSKI 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 a minimum credit of \$200 per month for stay-at-home parents, to allow the dependent care credit to be taken against the minimum tax, and to allow a carryforward of any unused dependent care credit.

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 “Stay-At-Home Par-  
5 ents’ Tax Credit Act of 2003”.

1 **SEC. 2. MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME**  
 2 **PARENTS.**

3 (a) IN GENERAL.—Section 21(e) of the Internal Rev-  
 4 enue Code of 1986 (relating to special rules) is amended  
 5 by adding at the end the following new paragraph:

6 “(11) MINIMUM CREDIT ALLOWED FOR STAY-  
 7 AT-HOME PARENTS.—Notwithstanding subsection  
 8 (d), in the case of any taxpayer with 1 or more  
 9 qualifying individuals described in subsection  
 10 (b)(1)(A) under the age of 6 at any time during the  
 11 taxable year, such taxpayer shall be deemed to have  
 12 employment-related expenses with respect to such  
 13 qualifying individuals in an amount equal to the  
 14 greater of—

15 “(A) the amount of employment-related ex-  
 16 penses incurred for such qualifying individuals  
 17 for the taxable year (determined under this sec-  
 18 tion without regard to this paragraph), or

19 “(B) \$200 for each month in such taxable  
 20 year during which such qualifying individual is  
 21 under the age of 6.”.

22 (b) CREDIT ALLOWED AGAINST MINIMUM TAX.—

23 (1) IN GENERAL.—Section 21(c) of the Internal  
 24 Revenue Code of 1986 is amended—

25 (A) by striking “The amount of” and in-  
 26 serting the following:

1 “(1) DOLLAR LIMIT.—The amount of”, and

2 (B) by adding at the end the following new  
3 paragraph:

4 “(2) LIMITATION BASED ON AMOUNT OF  
5 TAX.—The credit allowed under subsection (a) for  
6 any taxable year shall not exceed the excess of—

7 “(A) the sum of the regular tax liability  
8 (as defined in section 26(b)) plus the tax im-  
9 posed by section 55, over

10 “(B) the sum of credits allowable under  
11 this subpart (other than this section and sec-  
12 tions 23, 24, and 25B) and section 27 for the  
13 taxable year.”.

14 (2) CONFORMING AMENDMENTS.—

15 (A) The heading of section 21(c) of such  
16 Code is amended to read “LIMITATIONS.—”.

17 (B) Section 26(a)(1) of such Code is  
18 amended by inserting “21,” after “sections”.

19 (c) CARRYFORWARD OF CREDIT.—Section 21 of the  
20 Internal Revenue Code of 1986 (relating to expenses for  
21 household and dependent care services necessary for gain-  
22 ful employment) is amended by redesignating subsection  
23 (f) as subsection (g) and by inserting after subsection (e)  
24 the following new subsection:

1       “(f) CARRYFORWARD OF UNUSED CREDIT.—If the  
2 credit allowable under subsection (a) for any taxable year  
3 exceeds the limitation imposed by subsection (c)(4) for  
4 such taxable year, such excess shall be carried to the suc-  
5 ceeding taxable year and added to the credit allowable  
6 under subsection (a) for such taxable year.”.

7       (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2003.

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