

108TH CONGRESS  
2D SESSION

# S. 2072

To amend the Internal Revenue Code of 1986 to allow a nonrefundable tax credit for elder care expenses.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 12, 2004

Mr. CRAIG 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 allow a nonrefundable tax credit for elder care expenses.

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 “Senior Elder Care Re-  
5       lief and Empowerment (SECURE) Act”.

6       **SEC. 2. CREDIT FOR ELDER CARE.**

7       (a) IN GENERAL.—Subpart A of part IV of sub-  
8       chapter A of chapter 1 of the Internal Revenue Code of  
9       1986 is amended by inserting after section 25B the fol-  
10      lowing new section:

1 **“SEC. 25C. ELDER CARE EXPENSES.**

2       “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
3 dividual, there shall be allowed as a credit against the tax  
4 imposed by this chapter 50 percent of so much of the  
5 qualified elder care expenses paid or incurred by the tax-  
6 payer with respect to each qualified senior citizen as ex-  
7 ceeds \$1,000.

8       “(b) QUALIFIED SENIOR CITIZEN.—For purposes of  
9 this section, the term ‘qualified senior citizen’ means an  
10 individual—

11               “(1) who has attained normal retirement age  
12 (as determined under section 216 of the Social Secu-  
13 rity Act) before the close of the taxable year,

14               “(2) who is a chronically ill individual (within  
15 the meaning of section 7702B(c)(2)(B)), and

16               “(3) who is—

17                       “(A) the taxpayer,

18                       “(B) a family member (within the meaning  
19 of section 529(e)(2)) of the taxpayer, or

20                       “(C) a dependent (within the meaning of  
21 section 152) of the taxpayer.

22       “(c) QUALIFIED ELDER CARE EXPENSES.—For pur-  
23 poses of this section—

24               “(1) IN GENERAL.—The term ‘qualified elder  
25 care expenses’ means expenses paid or incurred by

1 the taxpayer with respect to the qualified senior cit-  
 2 izen for—

3 “(A) qualified long-term care services (as  
 4 defined in section 7702B(e)),

5 “(B) respite care, or

6 “(C) adult day care.

7 “(2) EXCEPTIONS.—The term ‘qualified elder  
 8 care expenses’ does not include—

9 “(A) any expense to the extent such ex-  
 10 pense is compensated for by insurance or other-  
 11 wise, and

12 “(B) any expense paid to a nursing facility  
 13 (as defined in section 1919 of the Social Secu-  
 14 rity Act).

15 “(d) OTHER DEFINITIONS AND SPECIAL RULES.—

16 “(1) ADULT DAY CARE.—The term ‘adult day  
 17 care’ means care provided for a qualified senior cit-  
 18 izen through a structured, community-based group  
 19 program which provides health, social, and other re-  
 20 lated support services on a less than 16-hour per  
 21 day basis.

22 “(2) RESPITE CARE.—The term ‘respite care’  
 23 means planned or emergency care provided to a  
 24 qualified senior citizen in order to provide temporary  
 25 relief to a caregiver of such senior citizen.

1           “(3) MARRIED INDIVIDUALS.—Rules similar to  
2           the rules of paragraphs (2), (3), and (4) of section  
3           21(e) shall apply for purposes of this section.

4           “(4) NO DOUBLE BENEFIT.—No deduction or  
5           other credit under this chapter shall take into ac-  
6           count any expense taken into account for purposes  
7           of determining the credit under this section.

8           “(5) IDENTIFYING INFORMATION REQUIRED  
9           WITH RESPECT TO SERVICE PROVIDER.—No credit  
10          shall be allowed under subsection (a) for any amount  
11          paid to any person unless—

12               “(A) the name, address, and taxpayer  
13               identification number of such person are in-  
14               cluded on the return claiming the credit, or

15               “(B) if such person is an organization de-  
16               scribed in section 501(c)(3) and exempt from  
17               tax under section 501(a), the name and address  
18               of such person are included on the return  
19               claiming the credit.

20          In the case of a failure to provide the information  
21          required under the preceding sentence, the preceding  
22          sentence shall not apply if it is shown that the tax-  
23          payer exercised due diligence in attempting to pro-  
24          vide the information so required.

1           “(6) IDENTIFYING INFORMATION REQUIRED  
 2       WITH RESPECT TO QUALIFIED SENIOR CITIZENS.—  
 3       No credit shall be allowed under this section with re-  
 4       spect to any qualified senior citizen unless the TIN  
 5       of such senior citizen is included on the return  
 6       claiming the credit.”.

7       (b) CONFORMING AMENDMENTS.—

8           (1) Section 6213(g)(2)(H) (relating to mathe-  
 9       matical or clerical error) is amended by inserting “,  
 10      section 25C (relating to elder care expenses),” after  
 11      “employment”).

12          (2) The table of sections for subpart A of part  
 13      IV of subchapter A of chapter 1 of the Internal Rev-  
 14      enue Code of 1986 is amended by inserting after the  
 15      item relating to section 25B the following new item:

“Sec. 25C. Elder care expenses.”.

16      (c) EFFECTIVE DATE.—The amendments made by  
 17      this section shall apply to expenses incurred in taxable  
 18      years beginning after December 31, 2003.

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