

110TH CONGRESS  
1ST SESSION

# H. R. 1898

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2007

Mr. PAUL 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 allow individuals a credit against income tax for medical expenses for dependents.

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 “Child Health Care Af-  
5 fordability Act”.

6 **SEC. 2. CREDIT FOR MEDICAL EXPENSES FOR DEPEND-**  
7 **ENTS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of  
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25D the following new  
2 section:

3 **“SEC. 25E. MEDICAL EXPENSES FOR DEPENDENTS.**

4       “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
5 dividual, there shall be allowed as a credit against the tax  
6 imposed by this chapter for the taxable year an amount  
7 equal to the expenses paid during the taxable year, not  
8 compensated for by insurance or otherwise, for medical  
9 care for any dependent of the taxpayer.

10       “(b) LIMITATIONS.—

11               “(1) IN GENERAL.—Except as provided in para-  
12 graph (2), the credit allowed by this section shall not  
13 exceed \$500 per dependent for any taxable year.

14               “(2) INCREASED CREDIT FOR TERMINAL DIS-  
15 EASES, ETC.—In the case of expenses for medical  
16 care of a dependent who has a terminal disease, can-  
17 cer (whether or not in remission), a disability, or  
18 any other health condition requiring hospitalization  
19 or other forms of specialized care, the credit allowed  
20 by this section shall not exceed \$3,000 for each such  
21 dependent for any taxable year.

22       “(c) PORTION OF CREDIT REFUNDABLE.—

23               “(1) IN GENERAL.—The aggregate credits al-  
24 lowed to a taxpayer under subpart C shall be in-  
25 creased by the lesser of—

1           “(A) the credit which would be allowed  
2           under this section without regard to this sub-  
3           section and the limitation under section 26(a),  
4           or

5           “(B) the amount by which the aggregate  
6           amount of credits allowed by this subpart (de-  
7           termined without regard to this subsection)  
8           would increase if the limitation imposed by sec-  
9           tion 26(a) were increased by the taxpayer’s so-  
10          cial security taxes for the taxable year.

11          “(2) COORDINATION WITH NONREFUNDABLE  
12          CREDIT.—The amount of the credit allowed under  
13          this subsection shall not be treated as a credit al-  
14          lowed under this subpart and shall reduce the  
15          amount of credit otherwise allowable under sub-  
16          section (a) without regard to section 26(a).

17          “(d) DEFINITIONS.—For purposes of this section—

18                 “(1) MEDICAL CARE.—The term ‘medical care’  
19                 has the meaning given such term by section 213.

20                 “(2) DEPENDENT.—The term ‘dependent’ has  
21                 the meaning given such term by section 152.

22                 “(3) DISABILITY.—The term ‘disability’ means  
23                 a condition that requires qualified long-term care  
24                 services (as defined in section 7702B(c)).

1           “(4) SOCIAL SECURITY TAXES.—The term ‘so-  
2           cial security taxes’ has the meaning given such term  
3           by section 24(d)(2).

4           “(e) EXCLUSION OF AMOUNTS ALLOWED FOR CARE  
5           OF CERTAIN DEPENDENTS.—Any expense allowed as a  
6           credit under section 21 shall not be treated as an expense  
7           paid for medical care under this section.

8           “(f) ADJUSTMENTS FOR INFLATION.—

9           “(1) IN GENERAL.—In the case of any taxable  
10          year beginning in a calendar year after 2008, the  
11          \$500 amount contained in subsection (b)(1), and the  
12          \$3,000 amount contained in subsection (b)(2), shall  
13          each be increased by an amount equal to—

14                 “(A) such dollar amount, multiplied by

15                 “(B) the cost-of-living adjustment deter-  
16                 mined under section 1(f)(3) for the calendar  
17                 year in which the taxable year begins by sub-  
18                 stituting ‘calendar year 2007’ for ‘calendar year  
19                 1992’ in subparagraph (B) thereof.

20          “(2) ROUNDING.—If any increase determined  
21          under paragraph (1) is not a multiple of \$10, such  
22          increase shall be rounded to the next highest mul-  
23          tiple of \$10.

24          “(g) REGULATIONS.—The Secretary shall prescribe  
25          regulations to carry out this section, including regulations

1 providing for claiming the credit under this section on  
2 Form 1040EZ.”.

3 (b) DENIAL OF DOUBLE BENEFIT FOR MEDICAL EX-  
4 PENSES DEDUCTION.—Subsection (e) of section 213 of  
5 such Code is amended by inserting “or 25E” after “sec-  
6 tion 21”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) The table of sections for such subpart A is  
9 amended by inserting after the item relating to sec-  
10 tion 25D the following new item:

“Sec. 25E. Medical expenses for dependents”.

11 (2) Paragraph (2) of section 1324(b) of title  
12 31, United States Code, is amended by striking  
13 “section 35” and inserting “section 25E or 35”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to amounts paid after the date of  
16 the enactment of this Act in taxable years ending after  
17 such date.

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