

110TH CONGRESS  
1ST SESSION

# S. 2267

To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 31, 2007

Ms. KLOBUCHAR (for herself and Ms. MIKULSKI) 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  
an income tax credit for eldercare 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 “Americans Giving care  
5 to Elders (AGE) Act of 2007”.

6 **SEC. 2. CREDIT FOR ELDERCARE EXPENSES.**

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 25D the fol-  
10 lowing new section:

1 **“SEC. 25E. EXPENSES FOR ELDERCARE.**

2 “(a) ALLOWANCE OF CREDIT.—

3 “(1) IN GENERAL.—In the case of an individual  
4 for which there are 1 or more qualifying individuals  
5 (as defined in subsection (b)(1)) with respect to such  
6 individual, there shall be allowed as a credit against  
7 the tax imposed by this chapter for the taxable year  
8 an amount equal to the applicable percentage of the  
9 eldercare expenses (as defined in subsection (b)(2))  
10 paid by such individual during the taxable year.

11 “(2) APPLICABLE PERCENTAGE DEFINED.—For  
12 purposes of paragraph (1), the term ‘applicable per-  
13 centage’ means 20 percent reduced (but not below  
14 zero) by 1 percentage point for each \$4,000 (or frac-  
15 tion thereof) by which the taxpayer’s adjusted gross  
16 income for the taxable year exceeds \$120,000.

17 “(b) DEFINITIONS OF QUALIFYING INDIVIDUAL AND  
18 ELDERCARE EXPENSES.—For purposes of this section—

19 “(1) QUALIFYING INDIVIDUAL.—The term  
20 ‘qualifying individual’ means the father or mother of  
21 the taxpayer or an ancestor of such father or moth-  
22 er, who requires assistance with activities of daily  
23 living.

24 “(2) ELDERCARE EXPENSES.—

1           “(A) IN GENERAL.—The term ‘eldercare  
2           expenses’ means amounts paid for expenses for  
3           the care of a qualifying individual.

4           “(B) CARE CENTERS.—Eldercare expenses  
5           described in subparagraph (A) which are in-  
6           curred for services provided outside the tax-  
7           payer’s household by a care center (as defined  
8           in subparagraph (C)) shall be taken into ac-  
9           count only if such center complies with all ap-  
10          plicable laws and regulations of a State or unit  
11          of local government.

12          “(C) CARE CENTER DEFINED.—For pur-  
13          poses of this paragraph, the term ‘care center’  
14          means any facility which—

15               “(i) provides care for more than six  
16               individuals, and

17               “(ii) receives a fee, payment, or grant  
18               for providing services for any of the indi-  
19               viduals (regardless of whether such facility  
20               is operated for profit).

21          “(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

22               “(1) IN GENERAL.—The amount of the  
23               eldercare expenses incurred during any taxable year  
24               which may be taken into account under subsection  
25               (a) shall not exceed \$6,000.

1           “(2) COORDINATION WITH DEPENDENT CARE  
 2           ASSISTANCE EXCLUSION.—The dollar amount in  
 3           paragraph (1) shall be reduced by the aggregate  
 4           amount excluded from gross income under section  
 5           129 for the taxable year.

6           “(d) SPECIAL RULES.—For purposes of this sec-  
 7           tion—

8           “(1) PAYMENTS TO RELATED INDIVIDUALS.—  
 9           No credit shall be allowed under subsection (a) for  
 10          any amount paid to an individual—

11               “(A) with respect to whom, for the taxable  
 12               year, a deduction under section 151(c) (relating  
 13               to deduction for personal exemptions for de-  
 14               pendents) is allowable either to the taxpayer or  
 15               his spouse, or

16               “(B) who is a child of the taxpayer (within  
 17               the meaning of section 152(f)(1)) who has not  
 18               attained the age of 19 at the close of the tax-  
 19               able year.

20          For purposes of this paragraph, the term ‘taxable  
 21          year’ means the taxable year of the taxpayer in  
 22          which the service is performed.

23           “(2) IDENTIFYING INFORMATION REQUIRED  
 24          WITH RESPECT TO SERVICE PROVIDER.—No credit

1 shall be allowed under subsection (a) for any amount  
2 paid to any person unless—

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

6 “(B) if such person is an organization de-  
7 scribed in section 501(c)(3) and exempt from  
8 tax under section 501(a), the name and address  
9 of such person are included on the return  
10 claiming the credit.

11 In the case of a failure to provide the information  
12 required under the preceding sentence, the preceding  
13 sentence shall not apply if it is shown that the tax-  
14 payer exercised due diligence in attempting to pro-  
15 vide the information so required.

16 “(3) IDENTIFYING INFORMATION REQUIRED  
17 WITH RESPECT TO QUALIFYING INDIVIDUALS.—No  
18 credit shall be allowed under subsection (a) with re-  
19 spect to any qualifying individual unless the tax-  
20 payer identification number of such individual is in-  
21 cluded on the return claiming the credit.

22 “(4) MARRIED COUPLES MUST FILE JOINT RE-  
23 TURN.—Rules similar to the rules of paragraphs (2)  
24 and (3) of section 21(e) shall apply.

1       “(e) DENIAL OF DOUBLE BENEFIT.—No credit shall  
2 be allowed under subsection (a) for any amount with re-  
3 spect to which a credit is allowed under section 21.

4       “(f) REGULATIONS.—The Secretary shall prescribe  
5 such regulations as may be necessary to carry out the pur-  
6 poses of this section.”.

7       (b) CLERICAL AMENDMENT.—The table of sections  
8 for subpart A of part IV of subchapter A of chapter 1  
9 of the Internal Revenue Code of 1986 is amended by in-  
10 serting after the item relating to section 25D the following  
11 new item:

“Sec. 25E. Expenses for eldercare.”.

12       (c) CONFORMING AMENDMENTS.—

13               (1) Section 213(e) of the Internal Revenue  
14 Code of 1986 (relating to exclusion of amounts al-  
15 lowed for care of certain dependents) is amended—

16                       (A) by inserting “or section 25E” after  
17 “section 21”, and

18                       (B) by inserting “AND ELDERS” after  
19 “CERTAIN DEPENDENTS” in the heading.

20       (2) Section 6213(g)(2) of such Code (relating  
21 to mathematical or clerical error) is amended—

22                       (A) by inserting “, section 25E (relating to  
23 expenses for care of elders),” after “(relating to  
24 expenses for household and dependent care

1 services necessary for gainful employment)” in  
 2 subparagraph (H), and

3 (B) by inserting “25E,” after “24,” in  
 4 subparagraph (L).

5 (d) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to taxable years beginning after  
 7 the date of the enactment of this Act.

8 **SEC. 3. EXTENSION AND INCREASE IN FUNDING FOR THE**  
 9 **NATIONAL FAMILY CAREGIVER SUPPORT**  
 10 **PROGRAM.**

11 Section 303(e)(2) of the Older Americans Act of  
 12 1965 (42 U.S.C. 3023(e)(2)), as amended by the Older  
 13 Americans Act Amendments of 2006, is further amended  
 14 by striking “\$166,500,000 for fiscal year 2008” and all  
 15 that follows through “for fiscal year 2011” and inserting  
 16 “\$250,000,000 for each of fiscal years 2008, 2009, 2010,  
 17 and 2011.”.

18 **SEC. 4. NATIONAL RESOURCE CENTER ON FAMILY**  
 19 **CAREGIVING.**

20 (a) IN GENERAL.—Part A of title IV of the Older  
 21 Americans Act of 1965 (42 U.S.C. 3032 et seq.) is amend-  
 22 ed by adding at the end the following:

23 **“SEC. 423. NATIONAL RESOURCE CENTER ON FAMILY**  
 24 **CAREGIVING.**

25 “(a) DEFINITIONS.—In this section:

1           “(1) PUBLIC OR PRIVATE NONPROFIT ENTI-  
 2           TY.—The term ‘public or private nonprofit entity’  
 3           means—

4                   “(A) a State, a political subdivision of a  
 5                   State, or an agency or instrumentality of such  
 6                   a State or political subdivision; or

7                   “(B) a nonprofit entity that is described in  
 8                   section 501(c)(3) of the Internal Revenue Code  
 9                   of 1986 and exempt from taxation under sec-  
 10                  tion 501(a) of such Code.

11           “(2) STATE.—The term ‘State’ means 1 of the  
 12           50 States.

13           “(b) ESTABLISHMENT.—The Secretary of Health  
 14           and Human Services shall award a grant to or enter into  
 15           a cooperative agreement with a public or private nonprofit  
 16           entity to establish a National Resource Center on Family  
 17           Caregiving (referred to in this section as the ‘Center’).

18           “(c) PURPOSES OF NATIONAL RESOURCE CENTER.—  
 19           The Center shall—

20                   “(1) identify, develop, and disseminate informa-  
 21                   tion on best practices for and evidence-based models  
 22                   of family caregiver support programs;

23                   “(2) provide timely information on policy and  
 24                   program updates relating to family caregivers;



1           “(3) partner with related organizations to dis-  
 2       seminate practical strategies and tools to support  
 3       families in their caregiving roles;

4           “(4) convene educational programs and web-  
 5       based seminars on family caregiver issues and pro-  
 6       gram development; and

7           “(5) provide a comprehensive Internet website  
 8       with a national searchable database on family care-  
 9       giver programs and resources in the States.

10       “(d) AUTHORIZATION.—There is authorized to be ap-  
 11      propriated to carry out this section \$12,000,000 for the  
 12      period of fiscal years 2008 through 2011.”.

13       (b) TECHNICAL AMENDMENTS.—

14           (1) Section 431(a) of such Act (42 U.S.C.  
 15       3033(a)) is amended by striking “or contract” the  
 16       first place it appears and inserting “or contract (in-  
 17       cluding a cooperative agreement)”.

18           (2) Section 432(a) of such Act (42 U.S.C.  
 19       3033a(a)) is amended by striking “and contracts”  
 20       and inserting “and contracts (including cooperative  
 21       agreements)”.

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