

112TH CONGRESS
2D SESSION

H. R. 3820

To amend the Internal Revenue Code of 1986 to modify the dependent care credit to take into account expenses for care of parents and grandparents who do not live with the taxpayer.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2012

Mr. ISRAEL (for himself, Mr. SERRANO, Mr. LOEBSACK, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the dependent care credit to take into account expenses for care of parents and grandparents who do not live with the taxpayer.

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 “Elder Care Tax Credit
5 Act of 2012”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) More than 10 million people in the United
2 States already have long-term care needs. Studies
3 estimate that unpaid family members deliver an even
4 larger share of the care, and the cost of nursing
5 home care averages \$72,000 a year.

6 (2) The proportion of adult children providing
7 personal care or financial assistance to a parent has
8 more than tripled during the past 15 years.

9 (3) Researchers estimate that families furnish
10 the majority of care to people with disabilities. Sev-
11 enty-two percent of older adults with disabilities re-
12 ceive help with basic personal activities or household
13 chores exclusively from family caregivers.

14 **SEC. 3. MODIFICATION OF CREDIT FOR EXPENSES FOR**
15 **HOUSEHOLD AND DEPENDENT CARE SERV-**
16 **ICES NECESSARY FOR GAINFUL EMPLOY-**
17 **MENT.**

18 (a) CREDIT ALLOWED FOR COSTS INCURRED TO
19 CARE FOR PARENTS AND GRANDPARENTS WHO DO NOT
20 LIVE WITH THE TAXPAYER.—

21 (1) IN GENERAL.—Paragraph (1) of section
22 21(b) of the Internal Revenue Code of 1986 is
23 amended by striking “or” at the end of subpara-
24 graph (B), by striking the period at the end of sub-

1 paragraph (C) and inserting “, or”, and by adding
2 at the end the following new subparagraph:

3 “(D) a dependent of the taxpayer (as de-
4 fined in section 152, determined without regard
5 to subsections (b)(1), (b)(2), (d)(1)(B), and
6 (d)(1)(C)) who is the father or mother of the
7 taxpayer (or an ancestor of such father or
8 mother) and who is physically or mentally in-
9 capable of caring for himself or herself.”.

10 (2) CONFORMING AMENDMENT.—Subparagraph
11 (B) of section 21(b)(1) of such Code is amended by
12 inserting “(other than a dependent described in sub-
13 paragraph (D))” after “and (d)(1)(B))”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2010.

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