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113TH CONGRESS
2D SESSION

H. R. 4145

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

MARCH 4, 2014

Mr. ISRAEL (for himself, Mrs. CAROLYN B. MALONEY of New York, and Ms. MENG) 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Elder Care Tax Credit Act of 2014''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) 70 percent of Americans who reach the age of 65 will use some form of long-term care during the remainder of their lives.

(2) Unpaid family caregivers provide about 80 percent of care at home. At home care can include emotional, financial, nursing, social, homemaking, and other services.

(3) Family caregivers spend about 20 hours each week providing care and 58 percent of those who receive at home care require intensive caregiving responsibilities that can include assisting with a personal care activity, such as bathing or feeding.

(4) During 2009, more than 61,600,000 Americans served as unpaid family caregivers with an economic value of approximately $450,000,000,000.

SEC. 3. MODIFICATION OF CREDIT FOR EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

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

(1) IN GENERAL.—Paragraph (1) of section 21(b) of the Internal Revenue Code of 1986 is

amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or", and by adding at the end the following new subparagraph:

"(D) a dependent of the taxpayer (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), (d)(1)(B), and (d)(1)(C)) who is the father or mother of the taxpayer (or an ancestor of such father or mother) and who is physically or mentally incapable of caring for himself or herself.".

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 21(b)(1) of such Code is amended by inserting "(other than a dependent described in subparagraph (D))" after "and (d)(1)(B))".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

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