

114TH CONGRESS
1ST SESSION

H. R. 3475

To amend the Internal Revenue Code of 1986 to assist in the support of children living in poverty by allowing a refundable credit to grandparents of those children for the purchase of household items for the benefit of those children, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 2015

Mr. VEASEY (for himself, Ms. BASS, Mr. CASTRO of Texas, Ms. CLARKE of New York, Ms. EDWARDS, Mr. ELLISON, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HASTINGS, Mr. HONDA, Ms. JACKSON LEE, Mr. JOHNSON of Georgia, Mr. TED LIEU of California, Mr. MURPHY of Florida, Ms. NORTON, Mr. RUSH, Mr. DAVID SCOTT of Georgia, Ms. MAXINE WATERS of California, Mrs. WATSON COLEMAN, and Mr. LOEBSACK) 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 assist in the support of children living in poverty by allowing a refundable credit to grandparents of those children for the purchase of household items for the benefit of those children, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Grandparents Tax
3 Credit Act of 2015”.

4 **SEC. 2. REFUNDABLE CREDIT FOR HOUSEHOLD ITEMS**
5 **PURCHASED BY GRANDPARENTS FOR**
6 **GRANDCHILDREN LIVING IN POVERTY.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to refundable credits) is amended by insert-
10 ing after section 36B the following new section:

11 **“SEC. 36C. CREDIT FOR HOUSEHOLD ITEMS PURCHASED BY**
12 **GRANDPARENTS FOR GRANDCHILDREN LIV-**
13 **ING IN POVERTY.**

14 “(a) IN GENERAL.—In the case of an eligible indi-
15 vidual, there shall be allowed as a credit against the tax
16 imposed by this subtitle an amount equal to the amount
17 paid or incurred by the taxpayer during the taxable year
18 for household items for the benefit of any qualified child.

19 “(b) MAXIMUM CREDIT.—The credit allowed by this
20 section for the taxable year shall not exceed \$500.

21 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
22 poses of this section—

23 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
24 individual’ means, with respect to any child, any in-
25 dividual who is a grandparent of such child.

1 “(2) HOUSEHOLD ITEMS.—The term ‘household
2 items’ includes food, clothing, and other items typi-
3 cally used by or for the benefit of children.

4 “(3) QUALIFIED CHILD.—The term ‘qualified
5 child’ means any individual if—

6 “(A) such individual has not attained the
7 age of 18 as of the close of the calendar year
8 in which the taxable year of the taxpayer be-
9 gins,

10 “(B) for more than one-half of such tax-
11 able year, such individual has the same prin-
12 cipal place of abode as—

13 “(i) the taxpayer, and

14 “(ii) at least 1 parent of such child,

15 “(C) such parent is entitled to claim, and
16 claims, a deduction for such child under section
17 151 (relating to allowance of deductions for
18 personal exemptions),

19 “(D) the modified adjusted gross income
20 (as defined in section 24(b)) of such parent (or
21 parents in the case of a joint return) does not
22 exceed 300 percent of the Federal poverty level
23 (as determined in accordance with criteria es-
24 tablished by the Director of the Office of Man-
25 agement and Budget), and

1 “(E) such place of abode is in the United
2 States.

3 “(4) GRANDPARENTS.—An older individual
4 shall be treated as a grandparent of another indi-
5 vidual only if such individual is—

6 “(A) a biological descendant of the older
7 individual, or

8 “(B) an adopted child (within the meaning
9 of section 152(f)(1)(B)) of a biological descend-
10 ant of the older individual.

11 “(d) IDENTIFICATION REQUIREMENTS.—

12 “(1) IN GENERAL.—A qualifying child shall not
13 be taken into account under this section unless the
14 taxpayer includes the name, age, and TIN of the
15 qualifying child on the return of tax for the taxable
16 year.

17 “(2) OTHER METHODS.—The Secretary may
18 prescribe other methods for providing the informa-
19 tion described in paragraph (1).”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 6211(b)(4)(A) of such Code is
22 amended by inserting “36C,” after “36B,”.

23 (2) Paragraph (2) of section 1324(b) of title
24 31, United States Code, is amended by inserting
25 “36C,” after “36B,”.

1 (3) The table of sections for subpart C of part
2 IV of subchapter A of chapter 1 of the Internal Rev-
3 enue Code of 1986 is amended by inserting after the
4 item relating to section 36C the following new item:

“Sec. 36C. Credit for household items purchased by grandparents for grand-
children living in poverty.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2015.

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