

119TH CONGRESS
1ST SESSION

S. 925

To amend the Internal Revenue Code of 1986 to provide a tax credit for working family caregivers.

IN THE SENATE OF THE UNITED STATES

MARCH 11 (legislative day, MARCH 10), 2025

Mrs. CAPITO (for herself and Mr. BENNET) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide
a tax credit for working family caregivers.

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 “Credit for Caring Act
5 of 2025”.

6 **SEC. 2. CREDIT FOR WORKING FAMILY CAREGIVERS.**

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 25E the fol-
10 lowing new section:

1 **“SEC. 25F. WORKING FAMILY CAREGIVERS.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
3 gible caregiver, there shall be allowed as a credit against
4 the tax imposed by this chapter for the taxable year an
5 amount equal to 30 percent of the qualified expenses paid
6 by the taxpayer during the taxable year to the extent that
7 such expenses exceed \$2,000.

8 “(b) LIMITATION.—

9 “(1) IN GENERAL.—The amount allowed as a
10 credit under subsection (a) for the taxable year shall
11 not exceed \$5,000.

12 “(2) ADJUSTMENT FOR INFLATION.—In the
13 case of any taxable year beginning after 2025, the
14 dollar amount contained in paragraph (1) shall be
15 increased by an amount equal to the product of—

16 “(A) such dollar amount, and

17 “(B) the medical care cost adjustment de-
18 termined under section 213(d)(10)(B)(ii) for
19 the calendar year in which the taxable year be-
20 gins, determined by substituting ‘2024’ for
21 ‘1996’ in subclause (II) thereof.

22 If any increase determined under the preceding sen-
23 tence is not a multiple of \$50, such increase shall
24 be rounded to the next lowest multiple of \$50.

1 “(c) ELIGIBLE CAREGIVER.—For purposes of this
 2 section, the term ‘eligible caregiver’ means an individual
 3 who—

4 “(1) during the taxable year pays or incurs
 5 qualified expenses in connection with providing care
 6 for a qualified care recipient, and

7 “(2) has earned income (as defined in section
 8 32(c)(2)) for the taxable year in excess of \$7,500.

9 “(d) QUALIFIED CARE RECIPIENT.—For purposes of
 10 this section—

11 “(1) IN GENERAL.—The term ‘qualified care re-
 12 cipient’ means, with respect to any taxable year, any
 13 individual who—

14 “(A) is the spouse of the eligible caregiver,
 15 or any other person who bears a relationship to
 16 the eligible caregiver described in any of sub-
 17 paragraphs (A) through (H) of section
 18 152(d)(2), and

19 “(B) has been certified, before the due
 20 date for filing the return of tax for the taxable
 21 year, by a licensed health care practitioner (as
 22 defined in section 7702B(c)(4)) as being an in-
 23 dividual with long-term care needs described in
 24 paragraph (3) for a period—

1 “(i) which is at least 180 consecutive
2 days, and

3 “(ii) a portion of which occurs within
4 the taxable year.

5 “(2) PERIOD FOR MAKING CERTIFICATION.—
6 Notwithstanding paragraph (1)(B), a certification
7 shall not be treated as valid unless it is made within
8 the 39½-month period ending on such due date (or
9 such other period as the Secretary prescribes).

10 “(3) INDIVIDUALS WITH LONG-TERM CARE
11 NEEDS.—An individual is described in this para-
12 graph if the individual meets any of the following re-
13 quirements:

14 “(A) The individual is at least 6 years of
15 age and—

16 “(i) is unable to perform (without
17 substantial assistance from another indi-
18 vidual) at least 2 activities of daily living
19 (as defined in section 7702B(c)(2)(B)) due
20 to a loss of functional capacity, or

21 “(ii) requires substantial supervision
22 to protect such individual from threats to
23 health and safety due to severe cognitive
24 impairment and is unable to perform, with-
25 out reminding or cuing assistance, at least

1 activity of daily living (as so defined) or
 2 to the extent provided in regulations pre-
 3 scribed by the Secretary (in consultation
 4 with the Secretary of Health and Human
 5 Services), is unable to engage in age ap-
 6 propriate activities.

7 “(B) The individual is at least 2 but not
 8 6 years of age and is unable due to a loss of
 9 functional capacity to perform (without sub-
 10 stantial assistance from another individual) at
 11 least 2 of the following activities: eating, trans-
 12 ferring, or mobility.

13 “(C) The individual is under 2 years of age
 14 and requires specific durable medical equipment
 15 by reason of a severe health condition or re-
 16 quires a skilled practitioner trained to address
 17 the individual’s condition to be available if the
 18 individual’s parents or guardians are absent.

19 “(e) QUALIFIED EXPENSES.—For purposes of this
 20 section—

21 “(1) IN GENERAL.—Subject to paragraph (4),
 22 the term ‘qualified expenses’ means expenditures for
 23 goods, services, and supports that—

24 “(A) assist a qualified care recipient with
 25 accomplishing activities of daily living (as de-

1 fined in section 7702B(c)(2)(B)) and instru-
 2 mental activities of daily living (as defined in
 3 section 1915(k)(6)(F) of the Social Security
 4 Act (42 U.S.C. 1396n(k)(6)(F))), and

5 “(B) are provided solely for use by such
 6 qualified care recipient.

7 “(2) ADJUSTMENT FOR OTHER TAX BENE-
 8 FITS.—The amount of qualified expenses otherwise
 9 taken into account under paragraph (1) with respect
 10 to an individual shall be reduced by the sum of any
 11 amounts paid for the benefit of such individual for
 12 the taxable year which are—

13 “(A) taken into account under section 21
 14 or 213, or

15 “(B) excluded from gross income under
 16 section 129, 223(f), or 529A(c)(1)(B).

17 “(3) GOODS, SERVICES, AND SUPPORTS.—For
 18 purposes of paragraph (1), goods, services, and sup-
 19 ports (as defined by the Secretary) shall include—

20 “(A) human assistance, supervision, cuing
 21 and standby assistance,

22 “(B) assistive technologies and devices (in-
 23 cluding remote health monitoring),

24 “(C) environmental modifications (includ-
 25 ing home modifications),

1 “(D) health maintenance tasks (such as
2 medication management),

3 “(E) information,

4 “(F) transportation of the qualified care
5 recipient,

6 “(G) non-health items (such as inconti-
7 nence supplies), and

8 “(H) coordination of and services for peo-
9 ple who live in their own home, a residential
10 setting, or a nursing facility, as well as the cost
11 of care in these or other locations.

12 “(4) QUALIFIED EXPENSES FOR ELIGIBLE
13 CAREGIVERS.—For purposes of paragraph (1), the
14 following shall be treated as qualified expenses if
15 paid or incurred by an eligible caregiver:

16 “(A) Expenditures for respite care for a
17 qualified care recipient.

18 “(B) Expenditures for counseling, support
19 groups, or training relating to caring for a
20 qualified care recipient.

21 “(C) Lost wages for unpaid time off due to
22 caring for a qualified care recipient as verified
23 by an employer.

24 “(D) Travel costs of the eligible caregiver
25 related to caring for a qualified care recipient.

1 “(E) Expenditures for technologies, as de-
 2 termined by the Secretary, that assist an eligi-
 3 ble caregiver in providing care for a qualified
 4 care recipient.

5 “(5) HUMAN ASSISTANCE.—The term ‘human
 6 assistance’ includes the costs of a direct care worker.

7 “(6) DOCUMENTATION.—An expense shall not
 8 be taken into account under this section unless the
 9 eligible caregiver substantiates such expense under
 10 such regulations or guidance as the Secretary shall
 11 provide.

12 “(7) MILEAGE RATE.—For purposes of this sec-
 13 tion, the mileage rate for the use of a passenger
 14 automobile shall be the standard mileage rate used
 15 to calculate the deductible costs of operating an
 16 automobile for medical purposes. Such rate may be
 17 used in lieu of actual automobile-related travel ex-
 18 penses.

19 “(8) COORDINATION WITH ABLE ACCOUNTS.—
 20 Qualified expenses for a taxable year shall not in-
 21 clude contributions to an ABLE account (as defined
 22 in section 529A).

23 “(f) PHASE OUT BASED ON ADJUSTED GROSS IN-
 24 COME.—For purposes of this section—

1 “(1) IN GENERAL.—The amount of the credit
2 allowable under subsection (a) shall be reduced (but
3 not below zero) by \$100 for each \$1,000 (or fraction
4 thereof) by which the taxpayer’s modified adjusted
5 gross income exceeds the threshold amount.

6 “(2) MODIFIED ADJUSTED GROSS INCOME.—
7 The term ‘modified adjusted gross income’ means
8 adjusted gross income increased by any amount ex-
9 cluded from gross income under section 911, 931, or
10 933.

11 “(3) THRESHOLD AMOUNT.—The term ‘thresh-
12 old amount’ means—

13 “(A) \$150,000 in the case of a joint re-
14 turn, and

15 “(B) \$75,000 in any other case.

16 “(4) INDEXING.—In the case of any taxable
17 year beginning in a calendar year after 2025, each
18 dollar amount contained in paragraph (3) shall be
19 increased by an amount equal to the product of—

20 “(A) such dollar amount, and

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘calendar year 2024’ for

1 ‘calendar year 2016’ in subparagraph (A)(ii)
2 thereof.

3 “(5) ROUNDING RULE.—If any increase deter-
4 mined under paragraph (4) is not a multiple of \$50,
5 such increase shall be rounded to the next lowest
6 multiple of \$50.

7 “(g) IDENTIFICATION REQUIREMENTS.—No credit
8 shall be allowed under this section to a taxpayer with re-
9 spect to any qualified care recipient unless the taxpayer
10 includes the name and taxpayer identification number of
11 such individual, and the identification number of the li-
12 censed health care practitioner certifying such individual,
13 on the return of tax for the taxable year.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for subpart A of part IV of subchapter A of chapter 1
16 of such Code is amended by inserting after the item relat-
17 ing to section 25E the following new item:

“Sec. 25F. Working family caregivers.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2024.

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