

105TH CONGRESS
2D SESSION

H. R. 3308

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers with certain persons requiring custodial care in their households.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1998

Mr. ENGLISH of Pennsylvania 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 allow a credit against income tax for taxpayers with certain persons requiring custodial care in their households.

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. CREDIT FOR TAXPAYERS WITH CERTAIN PER-**
4 **SONS REQUIRING CUSTODIAL CARE IN THEIR**
5 **HOUSEHOLDS.**

6 (a) IN GENERAL.—Subpart A of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25A the following new
2 section:

3 **“SEC. 25B. CREDIT FOR TAXPAYERS WITH CERTAIN PER-**
4 **SONS REQUIRING CUSTODIAL CARE IN THEIR**
5 **HOUSEHOLDS.**

6 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
7 dividual who maintains a household which includes as a
8 member one or more qualified persons, there shall be al-
9 lowed as a credit against the tax imposed by this chapter
10 for the taxable year an amount equal to \$1,000 for each
11 such person.

12 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
13 COME.—

14 “(1) IN GENERAL.—The dollar amount in sub-
15 section (a) shall be reduced (but not below zero) by
16 the amount which bears the same ratio to such dol-
17 lar amount as—

18 “(A) the excess of—

19 “(i) the taxpayer’s modified adjusted
20 gross income for the taxable year, over

21 “(ii) \$70,000 (\$140,000 in the case of
22 a joint return), bears to

23 “(B) \$20,000 (\$40,000 in the case of a
24 joint return).

1 “(2) MODIFIED ADJUSTED GROSS INCOME.—
2 For purposes of paragraph (1), the term ‘modified
3 adjusted gross income’ means adjusted gross income
4 determined without regard to sections 911, 931, and
5 933.

6 “(c) QUALIFIED PERSON.—For purposes of this sec-
7 tion, the term ‘qualified person’ means any individual—
8 “(1) who is a father or mother of the taxpayer,
9 his spouse, or his former spouse or who is an ances-
10 tor of such a father or mother,

11 “(2) who is physically or mentally incapable of
12 caring for himself,

13 “(3) who has as his principal place of abode for
14 more than half of the taxable year the home of the
15 taxpayer, and

16 “(4) whose name and TIN are included on the
17 taxpayer’s return for the taxable year.

18 For purposes of paragraph (1), a stepfather or stepmother
19 shall be treated as a father or mother.

20 “(d) SPECIAL RULES.—For purposes of this section,
21 rules similar to the rules of paragraphs (1), (2), (3), and
22 (4) of section 21(e) shall apply.”

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for subpart A of part IV of subchapter A of chapter 1

1 of such Code is amended by inserting after the item relat-
2 ing to section 25A the following new item:

“Sec. 25B. Credit for taxpayers with certain persons requiring
custodial care in their households.”

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 1998.

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