

105TH CONGRESS
2^D SESSION

H. R. 3583

To amend the Internal Revenue Code of 1986 to increase the child tax credit to \$1,000 for children under the age of 5 and to allow such credit against the alternative minimum tax.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 1998

Mr. WOLF 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 increase the child tax credit to \$1,000 for children under the age of 5 and to allow such credit against the alternative minimum tax.

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 “Family Friendly Tax
5 Relief Act of 1998”.

1 **SEC. 2. \$1,000 CHILD TAX CREDIT FOR CHILDREN UNDER**
2 **AGE 5.**

3 (a) **IN GENERAL.**—Section 24 of the Internal Reve-
4 nue Code of 1986 (relating to child tax credit) is amended
5 by redesignating subsections (e) and (f) as subsections (g)
6 and (h), respectively, and by inserting after subsection (e)
7 the following new subsection:

8 “(f) **\$1,000 CREDIT FOR QUALIFYING CHILDREN**
9 **UNDER AGE 5.**—

10 “(1) **IN GENERAL.**—Subsection (a) shall be ap-
11 plied by substituting ‘\$1,000’ for ‘\$500’ with respect
12 to any qualifying child who has not attained the age
13 of 5 as of the close of the calendar year in which
14 the taxable year of the taxpayer begins.

15 “(2) **COORDINATION WITH DEPENDENT CARE**
16 **CREDIT.**—This subsection shall apply to a taxpayer
17 for a taxable year only if the taxpayer elects not to
18 have section 21 apply for such year.”

19 (b) **CONFORMING AMENDMENT.**—Subparagraph (I)
20 of section 6213(g)(2) of such Code is amended by striking
21 “section 24(e)” and inserting “section 24(f)”.

22 (c) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 1997.

1 **SEC. 3. CHILD TAX CREDIT ALLOWED IN DETERMINING AL-**
2 **TERNATIVE MINIMUM TAX LIABILITY.**

3 (a) **IN GENERAL.**—Subsection (a) of section 26 of the
4 Internal Revenue Code of 1986 is amended by inserting
5 “(other than the credit allowed by section 24)” after
6 “credits allowed by this subpart”.

7 (b) **CONFORMING AMENDMENT.**—Section 24 of such
8 Code is amended by inserting after subsection (f) (as
9 added by section 2) the following new subsection:

10 “(g) **LIMITATION BASED ON AMOUNT OF TAX.**—The
11 aggregate credit allowed by this section for the taxable
12 year shall not exceed the sum of—

13 “(1) the taxpayer’s regular tax liability for the
14 taxable year reduced by the sum of the credits al-
15 lowed by sections 21, 22, 23, 25, and 25A, plus

16 “(2) the tax imposed by section 55 for such
17 taxable year.”

18 (c) **EFFECTIVE DATE.**—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 1997.

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