

110TH CONGRESS
2D SESSION

H. R. 6665

To amend the Internal Revenue Code of 1986 to provide a credit against income tax for individuals who care for certain dependents with long-term care needs.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2008

Mr. BARRETT of South Carolina 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 provide a credit against income tax for individuals who care for certain dependents with long-term care needs.

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 “Caring Family Act
5 of 2008”.

1 **SEC. 2. CREDIT FOR CARING FOR DEPENDENTS WITH**
2 **LONG-TERM CARE NEEDS IN TAXPAYER'S**
3 **HOME.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to nonrefundable personal credits) is
7 amended by inserting after section 25D the following new
8 section:

9 **“SEC. 25E. FAMILY CARE CREDIT.**

10 “(a) IN GENERAL.—In the case of an individual,
11 there shall be allowed as a credit against the tax imposed
12 by this chapter for the taxable year an amount equal to
13 \$3,000 for each qualified family member with respect to
14 whom the taxpayer is an eligible caregiver for the taxable
15 year.

16 “(b) LIMITATIONS.—

17 “(1) LIMITATION BASED ON NUMBER OF
18 QUALIFIED FAMILY MEMBERS.—The number of
19 qualifying family members which may be taken into
20 account under subsection (a) for the taxable year
21 shall not exceed 2 (4 in the case of a joint return).

22 “(2) LIMITATION BASED ON ADJUSTED GROSS
23 INCOME.—

24 “(A) IN GENERAL.—The amount of the
25 credit allowable under subsection (a) (deter-
26 mined without regard to this paragraph) shall

1 be reduced (but not below zero) by \$100 for
2 each \$1,000 (or fraction thereof) by which the
3 taxpayer's modified adjusted gross income ex-
4 ceeds the threshold amount.

5 “(B) DEFINITIONS.—For purposes of sub-
6 paragraph (A)—

7 “(i) MODIFIED ADJUSTED GROSS IN-
8 COME.—The term ‘modified adjusted gross
9 income’ means adjusted gross income in-
10 creased by any amount excluded from
11 gross income under section 911, 931, or
12 933.

13 “(ii) THRESHOLD AMOUNT.—The
14 term ‘threshold amount’ means—

15 “(I) \$200,000 in the case of a
16 joint return, and

17 “(II) \$100,000 in any other case.

18 “(c) QUALIFIED FAMILY MEMBER.—For purposes of
19 this section—

20 “(1) IN GENERAL.—The term ‘qualified family
21 member’ means, with respect to any taxable year,
22 any individual—

23 “(A) who is—

24 “(i) the spouse of the taxpayer, or

1 “(ii) a dependent of the taxpayer with
2 respect to whom the taxpayer is entitled to
3 an exemption under section 151(c),

4 “(B) who has attained age 60 before the
5 close of the taxable year,

6 “(C) who is an individual with long-term
7 care needs, and

8 “(D) who, for more than one-half of the
9 taxable year, has as such individual’s principal
10 place of abode the home of the taxpayer and is
11 a member of the taxpayer’s household.

12 “(2) INDIVIDUALS WITH LONG-TERM CARE
13 NEEDS.—The term ‘individual with long-term care
14 needs’ means, with respect to any taxable year, an
15 individual who has been certified during such year
16 by a physician (as defined in section 1861(r)(1) of
17 the Social Security Act) as being, for a period of at
18 least 180 consecutive days which includes the date
19 of the certification—

20 “(A) an individual who is unable to per-
21 form (without substantial assistance from an-
22 other individual) at least 2 activities of daily liv-
23 ing (as defined in section 7702B(c)(2)(B)) due
24 to a loss of functional capacity, or

1 “(B) an individual who requires substan-
2 tial supervision to protect such individual from
3 threats to health and safety due to severe cog-
4 nitive impairment and is unable to perform,
5 without reminding or cuing assistance, at least
6 1 activity of daily living (as so defined) or to
7 the extent provided in regulations prescribed by
8 the Secretary (in consultation with the Sec-
9 retary of Health and Human Services), is un-
10 able to engage in age appropriate activities.

11 “(3) IDENTIFICATION REQUIREMENT.—

12 “(A) IN GENERAL.—No credit shall be al-
13 lowed under this section to a taxpayer with re-
14 spect to any qualified family member unless the
15 taxpayer includes on the return of tax for the
16 taxable year—

17 “(i) the name and TIN of such mem-
18 ber, and

19 “(ii) the name and TIN of the physi-
20 cian certifying such member.

21 “(B) EXCEPTION FOR DUE DILIGENCE.—

22 In the case of a failure to provide the informa-
23 tion required under subparagraph (A)(ii), such
24 subparagraph shall not apply if it is shown that

1 the taxpayer exercised due diligence in attempt-
2 ing to provide the information so required.

3 “(d) SPECIAL RULES.—

4 “(1) TAXABLE YEAR MUST BE FULL TAXABLE
5 YEAR.—Except in the case of a taxable year closed
6 by reason of the death of the taxpayer, no credit
7 shall be allowable under this section in the case of
8 a taxable year covering a period of less than 12
9 months.

10 “(2) CERTAIN RULES TO APPLY.—Rules similar
11 to the rules of paragraphs (2), (3), and (4) of sec-
12 tion 21(e) shall apply for purposes of this section.”.

13 (b) CONFORMING AMENDMENT.—Paragraph (2) of
14 section 6213(g) of such Code (relating to mathematical
15 or clerical error) is amended—

16 (1) by striking “and” at the end of subpara-
17 graph (L), by striking the period at the end of sub-
18 paragraph (M) and inserting “, and”, and by insert-
19 ing after subparagraph (M) the following new sub-
20 paragraph:

21 “(N) an omission of a correct TIN or phy-
22 sician identification required under section
23 25E(c)(3) (relating to family care credit) to be
24 included on a return.”, and

1 (2) in the matter preceding clause (i) of sub-
2 paragraph (L), by inserting “25E,” after “24,”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for such subpart A is amended by inserting after the item
5 relating to section 25D the following new item:

“Sec. 25E. Family care credit.”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2007.

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