

114TH CONGRESS
2D SESSION

H. R. 5196

To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2016

Mr. ISRAEL (for himself and Mr. PETERS) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

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 “Americans Giving Care
5 to Elders (AGE) Act of 2016”.

6 **SEC. 2. CREDIT FOR ELDERCARE EXPENSES.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 25D the fol-
 2 lowing new section:

3 **“SEC. 25E. EXPENSES FOR ELDERCARE.**

4 “(a) ALLOWANCE OF CREDIT.—

5 “(1) IN GENERAL.—In the case of an individual
 6 for which there are 1 or more qualifying individuals
 7 (as defined in subsection (b)(1)) with respect to such
 8 individual, there shall be allowed as a credit against
 9 the tax imposed by this chapter for the taxable year
 10 an amount equal to the applicable percentage of the
 11 eldercare expenses (as defined in subsection (b)(2))
 12 paid by such individual during the taxable year.

13 “(2) APPLICABLE PERCENTAGE DEFINED.—For
 14 purposes of paragraph (1), the term ‘applicable per-
 15 centage’ means 20 percent reduced (but not below
 16 zero) by 1 percentage point for each \$4,000 (or frac-
 17 tion thereof) by which the taxpayer’s adjusted gross
 18 income for the taxable year exceeds—

19 “(A) in the case of a joint return,
 20 \$450,000,

21 “(B) in the case of a married individual fil-
 22 ing a separate return, \$225,000, and

23 “(C) in any other case, \$400,000.

24 “(b) DEFINITIONS OF QUALIFYING INDIVIDUAL AND
 25 ELDERCARE EXPENSES.—For purposes of this section—

1 “(1) QUALIFYING INDIVIDUAL.—The term
2 ‘qualifying individual’ means the father or mother of
3 the taxpayer or an ancestor of such father or moth-
4 er, who requires assistance with activities of daily
5 living.

6 “(2) ELDERCARE EXPENSES.—

7 “(A) IN GENERAL.—The term ‘eldercare
8 expenses’ means amounts paid for expenses for
9 the care of a qualifying individual.

10 “(B) CARE CENTERS.—Eldercare expenses
11 described in subparagraph (A) which are in-
12 curred for services provided outside the tax-
13 payer’s household by a care center (as defined
14 in subparagraph (C)) shall be taken into ac-
15 count only if such center complies with all ap-
16 plicable laws and regulations of a State or unit
17 of local government.

18 “(C) CARE CENTER DEFINED.—For pur-
19 poses of this paragraph, the term ‘care center’
20 means any facility which—

21 “(i) provides care for more than six
22 individuals, and

23 “(ii) receives a fee, payment, or grant
24 for providing services for any of the indi-

1 viduals (regardless of whether such facility
2 is operated for profit).

3 “(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

4 “(1) IN GENERAL.—The amount of the
5 eldercare expenses incurred during any taxable year
6 which may be taken into account under subsection
7 (a) shall not exceed \$6,000.

8 “(2) COORDINATION WITH DEPENDENT CARE
9 ASSISTANCE EXCLUSION.—The dollar amount in
10 paragraph (1) shall be reduced by the aggregate
11 amount excluded from gross income under section
12 129 for the taxable year.

13 “(d) SPECIAL RULES.—For purposes of this sec-
14 tion—

15 “(1) PAYMENTS TO RELATED INDIVIDUALS.—
16 No credit shall be allowed under subsection (a) for
17 any amount paid to an individual—

18 “(A) with respect to whom, for the taxable
19 year, a deduction under section 151(c) (relating
20 to deduction for personal exemptions for de-
21 pendents) is allowable either to the taxpayer or
22 his spouse, or

23 “(B) who is a child of the taxpayer (within
24 the meaning of section 152(f)(1)) who has not

1 attained the age of 19 at the close of the tax-
2 able year.

3 For purposes of this paragraph, the term ‘taxable
4 year’ means the taxable year of the taxpayer in
5 which the service is performed.

6 “(2) IDENTIFYING INFORMATION REQUIRED
7 WITH RESPECT TO SERVICE PROVIDER.—No credit
8 shall be allowed under subsection (a) for any amount
9 paid to any person unless—

10 “(A) the name, address, and taxpayer
11 identification number of such person are in-
12 cluded on the return claiming the credit, or

13 “(B) if such person is an organization de-
14 scribed in section 501(c)(3) and exempt from
15 tax under section 501(a), the name and address
16 of such person are included on the return
17 claiming the credit.

18 In the case of a failure to provide the information
19 required under the preceding sentence, the preceding
20 sentence shall not apply if it is shown that the tax-
21 payer exercised due diligence in attempting to pro-
22 vide the information so required.

23 “(3) IDENTIFYING INFORMATION REQUIRED
24 WITH RESPECT TO QUALIFYING INDIVIDUALS.—No
25 credit shall be allowed under subsection (a) with re-

1 spect to any qualifying individual unless the tax-
2 payer identification number of such individual is in-
3 cluded on the return claiming the credit.

4 “(4) MARRIED COUPLES MUST FILE JOINT RE-
5 TURN.—Rules similar to the rules of paragraphs (2)
6 and (3) of section 21(e) shall apply.

7 “(e) DENIAL OF DOUBLE BENEFIT.—No credit shall
8 be allowed under subsection (a) for any amount with re-
9 spect to which a credit is allowed under section 21.

10 “(f) REGULATIONS.—The Secretary shall prescribe
11 such regulations as may be necessary to carry out the pur-
12 poses of this section.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 for subpart A of part IV of subchapter A of chapter 1
15 of the Internal Revenue Code of 1986 is amended by in-
16 serting after the item relating to section 25D the following
17 new item:

 “Sec. 25E. Expenses for eldercare.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 213(e) of the Internal Revenue
20 Code of 1986 is amended—

21 (A) by inserting “or section 25E” after
22 “section 21”, and

23 (B) by inserting “AND ELDERS” after
24 “CERTAIN DEPENDENTS” in the heading.

1 (2) Section 6213(g)(2) of such Code is amend-
2 ed—

3 (A) by inserting “, section 25E (relating to
4 expenses for care of elders),” after “(relating to
5 expenses for household and dependent care
6 services necessary for gainful employment)” in
7 subparagraph (H), and

8 (B) by inserting “25E,” after “24,” in
9 subparagraph (L).

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

13 **SEC. 3. EXTENSION AND INCREASE IN FUNDING FOR THE**
14 **NATIONAL FAMILY CAREGIVER SUPPORT**
15 **PROGRAM.**

16 (a) IN GENERAL.—Section 303(e) of the Older Amer-
17 icans Act of 1965 (42 U.S.C. 3023(e)) is amended—

18 (1) by striking paragraphs (1) and (2) and in-
19 serting the following:

20 “(1) There is authorized to be appropriated to carry
21 out part E (relating to family caregiver support)
22 \$187,000,000 for each of fiscal years 2017, 2018, 2019,
23 and 2020.”;

24 (2) in paragraph (3), by striking “paragraphs
25 (1) and (2)” and inserting “paragraph (1)”; and

1 “(2) STATE.—The term ‘State’ means 1 of the
2 50 States.

3 “(b) ESTABLISHMENT.—The Secretary of Health
4 and Human Services shall award a grant to or enter into
5 a cooperative agreement with a public or private nonprofit
6 entity to establish a National Resource Center on Family
7 Caregiving (referred to in this section as the ‘Center’).

8 “(c) PURPOSES OF NATIONAL RESOURCE CENTER.—
9 The Center shall—

10 “(1) identify, develop, and disseminate informa-
11 tion on best practices for and evidence-based models
12 of family caregiver support programs;

13 “(2) provide timely information on policy and
14 program updates relating to family caregivers;

15 “(3) partner with related organizations to dis-
16 seminate practical strategies and tools to support
17 families in their caregiving roles;

18 “(4) convene educational programs and web-
19 based seminars on family caregiver issues and pro-
20 gram development; and

21 “(5) provide a comprehensive Internet website
22 with a national searchable database on family care-
23 giver programs and resources in the States.

1 “(d) AUTHORIZATION.—There is authorized to be ap-
2 propriated to carry out this section \$12,000,000 for the
3 period of fiscal years 2017 through 2020.”.

4 (b) TECHNICAL AMENDMENTS.—

5 (1) Section 431(a) of such Act (42 U.S.C.
6 3033(a)) is amended by striking “or contract” the
7 first place it appears and inserting “or contract (in-
8 cluding a cooperative agreement)”.

9 (2) Section 432(a) of such Act (42 U.S.C.
10 3033a(a)) is amended by striking “and contracts”
11 and inserting “and contracts (including cooperative
12 agreements)”.

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