

116TH CONGRESS  
2D SESSION

# H. R. 6048

To amend the Internal Revenue Code of 1986 to provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a family member with disabilities.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2020

Mr. DEUTCH introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a family member with disabilities.

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 “Special Needs Tax  
5 Credit Act”.

1 **SEC. 2. CREDIT FOR LEGAL EXPENSES PAID WITH RESPECT**  
2 **TO ESTABLISHING GUARDIANSHIP OF A FAM-**  
3 **ILY MEMBER WITH DISABILITIES.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to refundable credits) is amended by insert-  
7 ing after section 36B the following new section:

8 **“SEC. 36C. CREDIT FOR LEGAL EXPENSES PAID WITH RE-**  
9 **SPECT TO ESTABLISHING GUARDIANSHIP OF**  
10 **A FAMILY MEMBER WITH DISABILITIES.**

11 “(a) IN GENERAL.—In the case of an individual,  
12 there shall be allowed as a credit against the tax imposed  
13 by this subtitle an amount equal to the qualified legal  
14 guardianship expenses paid or incurred by the taxpayer  
15 during the taxable year.

16 “(b) DOLLAR LIMITATION.—The credit allowed  
17 under subsection (a) to any taxpayer with respect to any  
18 family member with disabilities for any taxable year shall  
19 not exceed the excess of—

20 “(1) \$5,000, over

21 “(2) the aggregate amount allowed as credit  
22 under subsection (a) to such taxpayer with respect  
23 to such family member with disabilities for all prior  
24 taxable years.

25 “(c) PHASEOUT BASED ON ADJUSTED GROSS IN-  
26 COME.—The dollar limitation applicable under subsection

1 (b) shall be reduced by the amount which bears the same  
2 ratio to such dollar limitation (determined without regard  
3 to this subsection) as—

4 “(1) the excess of—

5 “(A) the taxpayer’s adjusted gross income,  
6 over

7 “(B) \$50,000 (twice such amount in the  
8 case of a joint return), bears to

9 “(2) \$10,000 (twice such amount in the case of  
10 a joint return).

11 “(d) QUALIFIED LEGAL GUARDIANSHIP EX-  
12 PENSES.—For purposes of this section, the term ‘qualified  
13 legal guardianship expenses’ means amounts paid or in-  
14 curred by an individual as legal expenses in establishing  
15 such individual as the legal guardian of a family member  
16 with disabilities.

17 “(e) FAMILY MEMBER WITH DISABILITIES.—For  
18 purposes of this section, the term ‘family member with dis-  
19 abilities’ means, with respect to any taxpayer, any indi-  
20 vidual who—

21 “(1) bears a relationship to the taxpayer de-  
22 scribed in section 152(d)(2) (other than subpara-  
23 graph (H) thereof), and

24 “(2) is disabled (within the meaning of section  
25 1614(a)(3) of the Social Security Act).”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 6211(b)(4)(A) of such Code is  
3 amended by inserting “36C,” after “36B,”.

4 (2) Section 1324(b)(2) of title 31, United  
5 States Code, is amended by inserting “36C,” after  
6 “36B,”.

7 (3) The table of sections for subpart C of part  
8 IV of subchapter A of chapter 1 of the Internal Rev-  
9 enue Code of 1986 is amended by inserting after the  
10 item relating to section 36B the following new item:

“Sec. 36C. Credit for legal expenses paid with respect to establishing guardian-  
ship of a family member with disabilities.”.

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

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