# <sup>116TH CONGRESS</sup> 1ST SESSION S. 1370

To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie tax.

### IN THE SENATE OF THE UNITED STATES

#### MAY 8, 2019

Mr. CASSIDY (for himself, Mr. JONES, Mr. TOOMEY, Mr. WARNER, Mr. GRASSLEY, Mr. WYDEN, Ms. KLOBUCHAR, Mr. KING, Mr. ISAKSON, Ms. BALDWIN, Mr. CRAPO, Mr. BLUMENTHAL, Mr. BURR, Mr. TESTER, Mr. DAINES, Mrs. MURRAY, Mr. CORNYN, Ms. SINEMA, Mr. ROBERTS, Mr. COTTON, Mr. BROWN, Mr. JOHNSON, Mr. BENNET, Mr. SCOTT of South Carolina, Mr. CASEY, Ms. CORTEZ MASTO, Ms. HASSAN, Mr. MENEN-DEZ, Mr. PETERS, and Mr. HOEVEN) introduced the following bill; which was read twice and referred to the Committee on Finance

# A BILL

- To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie 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 "Gold Star Family Tax
- 5 Relief Act".

1	SEC. 2. CERTAIN MILITARY SURVIVOR BENEFITS TREATED
2	AS EARNED INCOME FOR KIDDIE TAX.
3	(a) IN GENERAL.—Section $1(g)(4)$ of the Internal
4	Revenue Code of 1986 is amended by adding at the end
5	the following new subparagraph:
6	"(D) TREATMENT OF CERTAIN MILITARY
7	SURVIVOR BENEFITS.—For purposes of this
8	subsection, any benefit under laws administered
9	by the Secretary of Defense or the Secretary of
10	Veterans Affairs which—
11	"(i) is received by a child by reason of
12	the child being the survivor of a deceased
13	member of the Armed Forces or of a de-
14	ceased veteran, and
15	"(ii) is included in the gross income of
16	such child,
17	shall be considered earned income of such
18	child.".
19	(b) Effective Date.—The amendment made by
20	this section shall apply to taxable years beginning after
21	December 31, 2017.

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