

116TH CONGRESS
1ST SESSION

S. 1370

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Gold Star Family Tax
3 Relief Act”.

4 **SEC. 2. CERTAIN MILITARY SURVIVOR BENEFITS TREATED**
5 **AS EARNED INCOME FOR KIDDIE TAX.**

6 (a) IN GENERAL.—Section 1(g)(4) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new subparagraph:

9 “(D) TREATMENT OF CERTAIN MILITARY
10 SURVIVOR BENEFITS.—For purposes of this
11 subsection, any benefit under laws administered
12 by the Secretary of Defense or the Secretary of
13 Veterans Affairs which—

14 “(i) is received by a child by reason of
15 the child being the survivor of a deceased
16 member of the Armed Forces or of a de-
17 ceased veteran, and

18 “(ii) is included in the gross income of
19 such child,
20 shall be considered earned income of such
21 child.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

Passed the Senate May 21, 2019.

Attest:

Secretary.

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