

107TH CONGRESS
1ST SESSION

H. R. 2575

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

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2001

Mr. MURTHA 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 caregivers of individuals 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. CREDIT FOR TAXPAYERS WITH LONG-TERM**
4 **CARE NEEDS.**

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

1 **“SEC. 25C. CREDIT FOR TAXPAYERS WITH LONG-TERM**
2 **CARE NEEDS.**

3 “(a) ALLOWANCE OF CREDIT.—There shall be al-
4 lowed as a credit against the tax imposed by this chapter
5 for the taxable year an amount equal to \$1,200 multiplied
6 by the number of applicable individuals with respect to
7 whom the taxpayer is an eligible caregiver for the taxable
8 year.

9 “(b) DEFINITIONS.—For purposes of this section—

10 “(1) APPLICABLE INDIVIDUAL.—

11 “(A) IN GENERAL.—The term ‘applicable
12 individual’ means, with respect to any taxable
13 year, any individual who has been certified, be-
14 fore the due date for filing the return of tax for
15 the taxable year (without extensions), by a phy-
16 sician (as defined in section 1861(r)(1) of the
17 Social Security Act) as being an individual with
18 long-term care needs described in subparagraph
19 (B) for a period—

20 “(i) which is at least 180 consecutive
21 days, and

22 “(ii) a portion of which occurs within
23 the taxable year.

24 Such term shall not include any individual oth-
25 erwise meeting the requirements of the pre-
26 ceding sentence unless within the 39½ month

1 period ending on such due date (or such other
2 period as the Secretary prescribes) a physician
3 (as so defined) has certified that such indi-
4 vidual meets such requirements.

5 “(B) INDIVIDUALS WITH LONG-TERM CARE
6 NEEDS.—An individual is described in this sub-
7 paragraph if the individual is at least 6 years
8 of age and—

9 “(I) is unable to perform (without
10 substantial assistance from another indi-
11 vidual) at least 3 activities of daily living
12 (as defined in section 7702B(c)(2)(B)) due
13 to a loss of functional capacity, or

14 “(II) requires substantial supervision
15 to protect such individual from threats to
16 health and safety due to severe cognitive
17 impairment and is unable to perform, with-
18 out reminding or cueing assistance, at least
19 1 activity of daily living (as so defined) or
20 to the extent provided in regulations pre-
21 scribed by the Secretary (in consultation
22 with the Secretary of Health and Human
23 Services), is unable to engage in age ap-
24 propriate activities.

25 “(2) ELIGIBLE CAREGIVER.—

1 “(A) IN GENERAL.—A taxpayer shall be
2 treated as an eligible caregiver for any taxable
3 year with respect to the following individuals:

4 “(i) The taxpayer.

5 “(ii) The taxpayer’s spouse.

6 “(iii) A brother or sister of the tax-
7 payer.

8 “(iv) The mother or father of the tax-
9 payer.

10 “(B) SPECIAL RULES WHERE MORE THAN
11 1 ELIGIBLE CAREGIVER.—

12 “(i) IN GENERAL.—If more than 1 in-
13 dividual is an eligible caregiver with re-
14 spect to the same applicable individual for
15 taxable years ending with or within the
16 same calendar year, a taxpayer shall be
17 treated as the eligible caregiver if each
18 such individual (other than the taxpayer)
19 files a written declaration (in such form
20 and manner as the Secretary may pre-
21 scribe) that such individual will not claim
22 such applicable individual for the credit
23 under this section.

24 “(ii) NO AGREEMENT.—If each indi-
25 vidual required under clause (i) to file a

1 written declaration under clause (i) does
2 not do so, the individual with the highest
3 modified adjusted gross income (as defined
4 in section 32(c)(5)) shall be treated as the
5 eligible caregiver.

6 “(iii) MARRIED INDIVIDUALS FILING
7 SEPARATELY.—In the case of married indi-
8 viduals filing separately, the determination
9 under this subparagraph as to whether the
10 husband or wife is the eligible caregiver
11 shall be made under the rules of clause (ii)
12 (whether or not one of them has filed a
13 written declaration under clause (i)).

14 “(c) IDENTIFICATION REQUIREMENT.—No credit
15 shall be allowed under this section to a taxpayer with re-
16 spect to any applicable individual unless the taxpayer in-
17 cludes the name and taxpayer identification number of
18 such individual, and the identification number of the phy-
19 sician certifying such individual, on the return of tax for
20 the taxable year.

21 “(d) TAXABLE YEAR MUST BE FULL TAXABLE
22 YEAR.—Except in the case of a taxable year closed by rea-
23 son of the death of the taxpayer, no credit shall be allow-
24 able under this section in the case of a taxable year cov-
25 ering a period of less than 12 months.”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 6213(g)(2) of the Internal Revenue
3 Code of 1986 is amended by striking “and” at the
4 end of subparagraph (L), by striking the period at
5 the end of subparagraph (M) and inserting “, and”,
6 and by inserting after subparagraph (M) the fol-
7 lowing new subparagraph:

8 “(N) an omission of a correct TIN or phy-
9 sician identification required under section
10 25C(c) (relating to credit for taxpayers with
11 long-term care needs) to be included on a re-
12 turn.”.

13 (2) The table of sections for subpart A of part
14 IV of subchapter A of chapter 1 of such Code is
15 amended by inserting after the item relating to sec-
16 tion 25B the following new item:

“Sec. 25C. Credit for taxpayers with long-term care needs.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2001.

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