

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1134

To provide family tax relief.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 9 (legislative day, JULY 10), 1995

Mr. NICKLES (for himself, Mr. GRAMS, Mr. DOLE, Mr. COATS, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. COVERDELL, Mr. SHELBY, Mr. MACK, Mr. THURMOND, Mr. GRAMM, Mr. SANTORUM, Mr. SMITH, Mr. KYL, Mr. THOMPSON, Mr. INHOFE, Mr. CRAIG, Mr. BENNETT, Mr. BROWN, and Mr. LOTT) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide family tax relief.

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 “American Family Tax  
5 Relief Act of 1995”.

6 **SEC. 2. FAMILY TAX CREDIT.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by inserting after section 22 the follow-  
10 ing new section:

1 **“SEC. 23. FAMILY TAX CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
3 lowed as a credit against the tax imposed by this chapter  
4 for the taxable year an amount equal to \$500 multiplied  
5 by the number of qualifying children of the taxpayer.

6 “(b) QUALIFYING CHILD.—For purposes of this sec-  
7 tion—

8 “(1) IN GENERAL.—The term ‘qualifying child’  
9 means any individual if—

10 “(A) the taxpayer is allowed a deduction  
11 under section 151 with respect to such individ-  
12 ual for such taxable year,

13 “(B) such individual has not attained the  
14 age of 18 as of the close of the calendar year  
15 in which the taxable year of the taxpayer be-  
16 gins, and

17 “(C) such individual bears a relationship to  
18 the taxpayer described in section 32(c)(3)(B)  
19 (determined without regard to clause (ii) there-  
20 of).

21 “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—  
22 The term ‘qualifying child’ shall not include any in-  
23 dividual who would not be a dependent if the first  
24 sentence of section 152(b)(3) were applied without  
25 regard to all that follows ‘resident of the United  
26 States’.

1 “(c) INFLATION ADJUSTMENT.—

2 “(1) IN GENERAL.—In the case of a taxable  
3 year beginning in a calendar year after 1996, the  
4 \$500 amount contained in subsection (a) shall be in-  
5 creased by an amount equal to—

6 “(A) such dollar amount, multiplied by

7 “(B) the cost-of-living adjustment deter-  
8 mined under section 1(f)(3) for the calendar  
9 year in which the taxable year begins, deter-  
10 mined by substituting ‘calendar year 1995’ for  
11 ‘calendar year 1992’ in subparagraph (B)  
12 thereof.

13 “(2) ROUNDING.—If any amount as adjusted  
14 under paragraph (1) is not a multiple of \$50, such  
15 amount shall be rounded to the nearest multiple of  
16 \$50.

17 “(d) CERTAIN OTHER RULES APPLY.—Rules similar  
18 to the rules of subsections (d) and (e) of section 32 shall  
19 apply for purposes of this section.”

20 (b) CONFORMING AMENDMENT.—The table of sec-  
21 tions for subpart A of part IV of subchapter A of chapter  
22 1 of such Code is amended by inserting after the item  
23 relating to section 22 the following new item:

“Sec. 23. Family tax credit.”

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 1995.

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