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106TH CONGRESS
2D SESSION

# H. R. 4799

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2000

Mr. PAUL 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 allow individuals a credit against income tax for medical expenses for dependents.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Family Health Tax Cut Act''.

**SEC. 2. CREDIT FOR MEDICAL EXPENSES FOR DEPENDENTS.**

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is

amended by inserting after section 25A the following new section:

**"SEC. 25B. MEDICAL EXPENSES FOR DEPENDENTS.**

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care for any dependent of the taxpayer.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by this section shall not exceed $500 per dependent for any taxable year.

"(2) INCREASED CREDIT FOR TERMINAL DISEASES, ETC.—In the case of expenses for medical care of a dependent who has a terminal disease, cancer (whether or not in remission), a disability, or any other health condition requiring hospitalization or other forms of specialized care, the credit allowed by this section shall not exceed $3,000 for each such dependent for any taxable year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) MEDICAL CARE.—The term 'medical care' has the meaning given such term by section 213.

"(2) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

"(3) DISABILITY.—The term 'disability' means a condition that requires qualified long-term care services (as defined in section 7702B(c)).

"(d) EXCLUSION OF AMOUNTS ALLOWED FOR CARE OF CERTAIN DEPENDENTS.—Any expense allowed as a credit under section 21 shall not be treated as an expense paid for medical care under this section.

"(e) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section, including regulations providing for claiming the credit under this section on Form 1040EZ."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 25A the following new item:

"Sec. 25B. Medical expenses for dependents."

(c) DENIAL OF DOUBLE BENEFIT FOR MEDICAL EXPENSES DEDUCTION.—Subsection (e) of section 213 of such Code is amended by inserting "or 25B" after "section 21".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after the date of the enactment of this Act in taxable years ending after such date.

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