

106TH CONGRESS
1ST SESSION

H. R. 531

To amend the Internal Revenue Code of 1986 to increase the amount allowable for qualified adoption expenses, to permanently extend the credit for adoption expenses, and to adjust the limitations on such credit for inflation.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1999

Mr. BLILEY 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 increase the amount allowable for qualified adoption expenses, to permanently extend the credit for adoption expenses, and to adjust the limitations on such credit for inflation.

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 “Hope for Children
5 Act”.

6 **SEC. 2. ADOPTION EXPENSES.**

7 (a) INCREASE IN AMOUNTS ALLOWED.—

1 (1) DOLLAR AMOUNT OF ALLOWED EX-
2 PENSES.—Paragraph (1) of section 23(b) of the In-
3 ternal Revenue Code of 1986 (relating to dollar limi-
4 tation) is amended by striking “\$5,000” and all that
5 follows and inserting “\$10,000.”.

6 (2) PHASE-OUT LIMITATION.—Clause (i) of sec-
7 tion 23(b)(2)(A) of such Code (relating to income
8 limitation) is amended by striking “\$75,000” and
9 inserting “\$150,000”.

10 (b) REPEAL OF SUNSET ON CHILDREN WITHOUT
11 SPECIAL NEEDS.—

12 (1) IN GENERAL.—Paragraph (2) of section
13 23(d) of such Code (relating to definition of eligible
14 child) is amended to read as follows:

15 “(2) ELIGIBLE CHILD.—The term ‘eligible
16 child’ means any individual who—

17 “(A) has not attained age 18, or

18 “(B) is physically or mentally incapable of
19 caring for himself.”.

20 (2) CONFORMING AMENDMENT.—Subsection (d)
21 of section 23 of such Code (relating to definitions)
22 is amended by striking paragraph (3).

23 (c) ADJUSTMENT OF DOLLAR AND INCOME LIMITA-
24 TIONS FOR INFLATION.—Section 23 of such Code is
25 amended by redesignating subsection (h) as subsection (i)

1 and by inserting after subsection (g) the following new
2 subsection:

3 “(h) ADJUSTMENTS FOR INFLATION.—In the case of
4 a taxable year beginning after December 31, 2000, each
5 of the dollar amounts in subsections (b)(1) and
6 (b)(2)(A)(i) shall be increased by an amount equal to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined
9 under section 1(f)(3) for the calendar year in which
10 the taxable year begins, determined by substituting
11 ‘calendar year 1999’ for ‘calendar year 1992’ in sub-
12 paragraph (B) thereof.”.

13 (d) LIMITATION BASED ON AMOUNT OF TAX.—

14 (1) IN GENERAL.—Subsection (c) of section 23
15 of such Code is amended by striking “the limitation
16 imposed by section 26(a) for such taxable year re-
17 duced by the sum of the credits allowable under this
18 subpart (other than this section and section
19 1400C)” and inserting “the applicable tax limita-
20 tion”.

21 (2) APPLICABLE TAX LIMITATION.—Subsection
22 (d) of section 23 of such Code (as amended by sub-
23 section (b) of this section) is further amended add-
24 ing at the end the following new paragraph:

1 “(3) APPLICABLE TAX LIMITATION.—The term
2 ‘applicable tax limitation’ means the sum of—

3 “(A) the taxpayer’s regular tax liability for
4 the taxable year, reduced (but not below zero)
5 by the sum of the credits allowed by sections
6 21, 22, 24 (other than the amount of the in-
7 crease under subsection (d) thereof), 25, and
8 25A, and

9 “(B) the tax imposed by section 55 for
10 such taxable year.”.

11 (3) CONFORMING AMENDMENTS.—

12 (A) Subsection (a) of section 26 of such
13 Code (relating to limitation based on amount of
14 tax) is amended by inserting “(other than sec-
15 tion 23)” after “allowed by this subpart”.

16 (B) Paragraph (1) of section 53(b) of such
17 Code (relating to minimum tax credit) is
18 amended by inserting “reduced by the aggre-
19 gate amount taken into account under section
20 23(d)(3)(B) for all such prior taxable years,”
21 after “1986,”.

22 (e) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 1998.

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