

109TH CONGRESS
1ST SESSION

S. 835

To amend the Internal Revenue Code of 1986 to allow a nonrefundable tax credit for elder care expenses.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 2005

Mr. CRAIG (for himself and Mr. BURNS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a nonrefundable tax credit for elder care expenses.

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 “Senior Elder Care Re-
5 lief and Empowerment (SECURE) Act”.

6 **SEC. 2. CREDIT FOR ELDER CARE.**

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 25B the fol-
10 lowing new section:

1 **“SEC. 25C. ELDER CARE EXPENSES.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
3 dividual, there shall be allowed as a credit against the tax
4 imposed by this chapter 50 percent of so much of the
5 qualified elder care expenses paid or incurred by the tax-
6 payer with respect to each qualified senior citizen as ex-
7 ceeds \$1,000.

8 “(b) QUALIFIED SENIOR CITIZEN.—For purposes of
9 this section, the term ‘qualified senior citizen’ means an
10 individual—

11 “(1) who has attained normal retirement age
12 (as determined under section 216 of the Social Secu-
13 rity Act) before the close of the taxable year,

14 “(2) who is a chronically ill individual (within
15 the meaning of section 7702B(c)(2)(B)), and

16 “(3) who is—

17 “(A) the taxpayer,

18 “(B) a family member (within the meaning
19 of section 529(e)(2)) of the taxpayer, or

20 “(C) a dependent (within the meaning of
21 section 152) of the taxpayer.

22 “(c) QUALIFIED ELDER CARE EXPENSES.—For pur-
23 poses of this section—

24 “(1) IN GENERAL.—The term ‘qualified elder
25 care expenses’ means expenses paid or incurred by

1 the taxpayer with respect to the qualified senior cit-
2 izen for—

3 “(A) qualified long-term care services (as
4 defined in section 7702B(e)),

5 “(B) respite care, or

6 “(C) adult day care.

7 “(2) EXCEPTIONS.—The term ‘qualified elder
8 care expenses’ does not include—

9 “(A) any expense to the extent such ex-
10 pense is compensated for by insurance or other-
11 wise, and

12 “(B) any expense paid to a nursing facility
13 (as defined in section 1919 of the Social Secu-
14 rity Act).

15 “(d) OTHER DEFINITIONS AND SPECIAL RULES.—

16 “(1) ADULT DAY CARE.—The term ‘adult day
17 care’ means care provided for a qualified senior cit-
18 izen through a structured, community-based group
19 program which provides health, social, and other re-
20 lated support services on a less than 16-hour per
21 day basis.

22 “(2) RESPITE CARE.—The term ‘respite care’
23 means planned or emergency care provided to a
24 qualified senior citizen in order to provide temporary
25 relief to a caregiver of such senior citizen.

1 “(3) MARRIED INDIVIDUALS.—Rules similar to
2 the rules of paragraphs (2), (3), and (4) of section
3 21(e) shall apply for purposes of this section.

4 “(4) NO DOUBLE BENEFIT.—No deduction or
5 other credit under this chapter shall take into ac-
6 count any expense taken into account for purposes
7 of determining the credit under this section.

8 “(5) IDENTIFYING INFORMATION REQUIRED
9 WITH RESPECT TO SERVICE PROVIDER.—No credit
10 shall be allowed under subsection (a) for any amount
11 paid to any person unless—

12 “(A) the name, address, and taxpayer
13 identification number of such person are in-
14 cluded on the return claiming the credit, or

15 “(B) if such person is an organization de-
16 scribed in section 501(c)(3) and exempt from
17 tax under section 501(a), the name and address
18 of such person are included on the return
19 claiming the credit.

20 In the case of a failure to provide the information
21 required under the preceding sentence, the preceding
22 sentence shall not apply if it is shown that the tax-
23 payer exercised due diligence in attempting to pro-
24 vide the information so required.

1 “(6) IDENTIFYING INFORMATION REQUIRED
2 WITH RESPECT TO QUALIFIED SENIOR CITIZENS.—
3 No credit shall be allowed under this section with re-
4 spect to any qualified senior citizen unless the TIN
5 of such senior citizen is included on the return
6 claiming the credit.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 6213(g)(2)(H) of the Internal Rev-
9 enue Code of 1986 (relating to mathematical or cler-
10 ical error) is amended by inserting “, section 25C
11 (relating to elder care expenses),” after “employ-
12 ment)”.

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 Elder care expenses.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to expenses incurred in taxable
19 years beginning after December 31, 2004.

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