

114TH CONGRESS  
1ST SESSION

# H. R. 1747

To amend the Internal Revenue Code of 1986 to provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a disabled individual.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2015

Mr. DEUTCH 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 provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a disabled individual.

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 “Special Needs Tax  
5 Credit Act”.

1 **SEC. 2. CREDIT FOR LEGAL EXPENSES PAID WITH RESPECT**  
2 **TO ESTABLISHING GUARDIANSHIP OF A DIS-**  
3 **ABLED INDIVIDUAL.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to refundable credits) is amended by insert-  
7 ing after section 36B the following new section:

8 **“SEC. 36C. CREDIT FOR LEGAL EXPENSES PAID WITH RE-**  
9 **SPECT TO ESTABLISHING GUARDIANSHIP OF**  
10 **A DISABLED INDIVIDUAL.**

11 “(a) IN GENERAL.—In the case of an individual,  
12 there shall be allowed as a credit against the tax imposed  
13 by this subtitle an amount equal to the qualified legal  
14 guardianship expenses paid or incurred by the taxpayer  
15 during the taxable year.

16 “(b) DOLLAR LIMITATION.—The credit allowed  
17 under subsection (a) to any taxpayer with respect to any  
18 disabled individual for any taxable year shall not exceed  
19 the excess of—

20 “(1) \$5,000, over

21 “(2) the aggregate amount allowed as credit  
22 under subsection (a) to such taxpayer with respect  
23 to such disabled individual for all prior taxable  
24 years.

25 “(c) PHASEOUT BASED ON ADJUSTED GROSS IN-  
26 COME.—The dollar limitation applicable under subsection

1 (b) shall be reduced by the amount which bears the same  
2 ratio to such dollar limitation (determined without regard  
3 to this subsection) as—

4 “(1) the excess of—

5 “(A) the taxpayer’s adjusted gross income,  
6 over

7 “(B) \$75,000 (twice such amount in the  
8 case of a joint return), bears to

9 “(2) \$15,000 (twice such amount in the case of  
10 a joint return).

11 “(d) QUALIFIED LEGAL GUARDIANSHIP EX-  
12 PENSES.—For purposes of this section, the term ‘qualified  
13 legal guardianship expenses’ means amounts paid or in-  
14 curred by an individual as legal expenses in establishing  
15 such individual as the legal guardian of a disabled indi-  
16 vidual.

17 “(e) DISABLED INDIVIDUAL.—For purposes of this  
18 section, the term ‘disabled individual’ means any indi-  
19 vidual who is disabled (within the meaning of section  
20 1614(a)(3) of the Social Security Act).”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 6211(b)(4)(A) of such Code is  
23 amended by inserting “36C,” after “36B,”.

1           (2) Section 1324(b)(2) of title 31, United  
2 States Code, is amended by inserting “36C,” after  
3 “36B,”.

4           (3) The table of sections for subpart C of part  
5 IV of subchapter A of chapter 1 of the Internal Rev-  
6 enue Code of 1986 is amended by inserting after the  
7 item relating to section 36B the following new item:

“Sec. 36C. Credit for legal expenses paid with respect to establish-  
ship of a disabled individual.”.

8           (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 the date of the enactment of this Act.

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