

114TH CONGRESS  
1ST SESSION

# S. 660

To amend the Internal Revenue Code of 1986 to establish a credit for married couples who are both employed and have young children.

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## IN THE SENATE OF THE UNITED STATES

MARCH 4, 2015

Mrs. MURRAY (for herself, Mr. REED, Mr. BROWN, Mr. DURBIN, Mr. REID, Mr. SCHUMER, Mrs. SHAHEEN, Ms. STABENOW, Mr. WYDEN, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to establish a credit for married couples who are both employed and have young children.

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 “21<sup>st</sup> Century Worker  
5 Tax Cut Act”.

6 **SEC. 2. CREDIT FOR DUAL-EARNER FAMILIES.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 25D the fol-  
 2 lowing new section:

3 **“SEC. 25E. DUAL-EARNER FAMILIES.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
 5 gible taxpayer, there shall be allowed as a credit against  
 6 the tax imposed by this chapter for the taxable year an  
 7 amount equal to 10 percent of the lesser of—

8 “(1) \$10,000, or

9 “(2) the earned income of the spouse with the  
 10 lower amount of earned income for such taxable  
 11 year.

12 “(b) LIMITATION.—The amount of the credit allow-  
 13 able under subsection (a) shall be reduced (but not below  
 14 zero) by an amount which bears the same ratio to the  
 15 amount determined under subsection (a) (as determined  
 16 without regard to this subsection) as the amount of the  
 17 taxpayer’s excess adjusted gross income bears to \$20,000.

18 “(c) DEFINITIONS.—In this section:

19 “(1) EARNED INCOME.—The term ‘earned in-  
 20 come’ has the same meaning given such term in sec-  
 21 tion 32(c)(2).

22 “(2) ELIGIBLE TAXPAYER.—

23 “(A) IN GENERAL.—The term ‘eligible tax-  
 24 payer’ means a taxpayer who—

1 “(i) files a joint return for the taxable  
2 year under section 6013, and

3 “(ii) has at least 1 qualifying child (as  
4 defined in section 152(c)) who has not at-  
5 tained 12 years of age before the close of  
6 the taxable year.

7 “(3) EXCESS ADJUSTED GROSS INCOME.—The  
8 term ‘excess adjusted gross income’ means the  
9 amount of the eligible taxpayer’s adjusted gross in-  
10 come (as defined in section 62, determined without  
11 regard to this section) that exceeds \$110,000 for the  
12 taxable year.

13 “(d) INFLATION ADJUSTMENT.—

14 “(1) IN GENERAL.—In the case of any taxable  
15 year beginning after 2016, each of the dollar  
16 amounts in subsections (a)(1) and (c)(3) shall be in-  
17 creased by an amount equal to—

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-  
20 mined under section 1(f)(3) for the calendar  
21 year in which the taxable year begins, deter-  
22 mined by substituting ‘calendar year 2015’ for  
23 ‘calendar year 1992’ in subparagraph (B)  
24 thereof.

1           “(2) ROUNDING.—If any dollar amount in sub-  
2           section (a)(1) or (c)(3), after being increased under  
3           paragraph (1), is not a multiple of \$1,000, such dol-  
4           lar amount shall be rounded to the nearest multiple  
5           of \$1,000.

6           “(e) ADDITIONAL ELIGIBILITY REQUIREMENTS.—

7           “(1) INDIVIDUAL CLAIMING BENEFITS UNDER  
8           SECTION 911.—No credit shall be allowed under this  
9           section if an individual (or the individual’s spouse)  
10          claims the benefits of section 911 for the taxable  
11          year.

12          “(2) NON-RESIDENT ALIENS.—No credit shall  
13          be allowed under this section if an individual (or the  
14          individual’s spouse) is a nonresident alien individual  
15          for any portion of the taxable year unless such indi-  
16          vidual is treated for such taxable year as a resident  
17          of the United States for purposes of this chapter by  
18          reason of an election under subsection (g) or (h) of  
19          section 6013.

20          “(3) IDENTIFICATION NUMBER REQUIRE-  
21          MENT.—No credit shall be allowed under this section  
22          if the eligible taxpayer does not include on the joint  
23          return of tax for the taxable year—

24                  “(A) the taxpayer identification number of  
25                  the individual and the individual’s spouse, and

1           “(B) the name, age, and taxpayer identi-  
2           fication number of any qualifying children.

3           “(f) TAXABLE YEAR MUST BE FULL TAXABLE  
4 YEAR.—Except in the case of a taxable year closed by rea-  
5 son of the death of an individual, no credit shall be allow-  
6 able under this section in the case of a taxable year cov-  
7 ering a period of less than 12 months.”.

8           (b) ENHANCEMENT OF EARNED INCOME TAX CRED-  
9 IT.—Section 32 of such Code is amended—

10           (1) in subsection (a)(2)(B), by striking “earned  
11 income” and inserting “modified earned income (as  
12 defined in subsection (c)(5))”, and

13           (2) in subsection (c), by adding at the end the  
14 following new paragraph:

15           “(5) MODIFIED EARNED INCOME.—The term  
16 ‘modified earned income’ means an amount equal to  
17 the earned income of the taxpayer minus an amount  
18 equal to the product of—

19           “(A) the amount of any credit allowed to  
20 the taxpayer under section 25E for the taxable  
21 year, multiplied by

22           “(B) 10.”.

23           (c) CONFORMING AMENDMENT.—The table of sec-  
24 tions for subpart A of part IV of subchapter A of chapter  
25 1 of the Internal Revenue Code of 1986 is amended by

1 inserting after the item relating to section 25D the fol-  
2 lowing:

“Sec. 25E. Dual-earner families.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 the date of the enactment of this Act.

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