AN ACT

To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie tax.

1 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 “Gold Star Family Tax Relief Act”.

SEC. 2. CERTAIN MILITARY SURVIVOR BENEFITS TREATED AS EARNED INCOME FOR KIDDIE TAX.

(a) In General.—Section 1(g)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) Treatment of certain military survivor benefits.—For purposes of this subsection, any benefit under laws administered by the Secretary of Defense or the Secretary of Veterans Affairs which—

“(i) is received by a child by reason of the child being the survivor of a deceased member of the Armed Forces or of a deceased veteran, and

“(ii) is included in the gross income of such child,

shall be considered earned income of such child.”.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

Passed the Senate May 21, 2019.

Attest:

Secretary.
To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie tax.

AN ACT

116th CONGRESS
S. 1370