

116TH CONGRESS
1ST SESSION

S. 1667

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

IN THE SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 22), 2019

Mr. SCOTT of South Carolina (for himself, Ms. HASSAN, Mr. CASSIDY, Mr. CRAMER, Mr. ROBERTS, Mr. DAINES, Ms. ERNST, Ms. COLLINS, Mr. KING, Ms. SINEMA, Mr. JONES, Mr. WYDEN, Mr. MENENDEZ, Ms. CORTEZ MASTO, Ms. KLOBUCHAR, and Mr. BLUMENTHAL) 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 treat certain scholarships as earned income for purposes of the kiddie tax.

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 “Tax Relief for Student
5 Success Act”.

1 **SEC. 2. CERTAIN SCHOLARSHIPS TREATED AS EARNED IN-**
2 **COME FOR KIDDIE TAX.**

3 (a) **IN GENERAL.**—Section 1(g)(4) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new subparagraph:

6 “(D) **TREATMENT OF CERTAIN SCHOLAR-**
7 **SHIPS.**—For purposes of this subsection, any
8 scholarship or fellowship grant which—

9 “(i) is received by a child who is a
10 candidate for a degree at an educational
11 organization described in section
12 170(b)(1)(A)(ii),

13 “(ii) supports such candidacy, and

14 “(iii) is included in the gross income
15 of such child,
16 shall be considered earned income of such
17 child.”.

18 (b) **EFFECTIVE DATE.**—The amendment made by
19 this section shall apply to taxable years beginning after
20 December 31, 2017.

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