

118TH CONGRESS
2D SESSION

S. 5163

To amend the Internal Revenue Code of 1986 to provide an income tax credit for eldercare expenses.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 2024

Ms. KLOBUCHAR (for herself and Ms. SMITH) 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 provide
an income tax credit for eldercare 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 “Americans Giving Care
5 to Elders Act of 2024” or the “AGE Act of 2024”.

6 **SEC. 2. CREDIT FOR ELDERCARE EXPENSES.**

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 25E the fol-
10 lowing new section:

1 **“SEC. 25F. EXPENSES FOR ELDERCARE.**

2 “(a) ALLOWANCE OF CREDIT.—

3 “(1) IN GENERAL.—In the case of an individual
4 for which there are 1 or more qualifying individuals
5 with respect to such individual, there shall be al-
6 lowed as a credit against the tax imposed by this
7 chapter for the taxable year an amount equal to the
8 applicable percentage of the eldercare expenses paid
9 by such individual during the taxable year.

10 “(2) APPLICABLE PERCENTAGE.—For purposes
11 of paragraph (1), the term ‘applicable percentage’
12 means 20 percent, reduced (but not below zero) by
13 1 percentage point for each \$4,000 (or fraction
14 thereof) by which the taxpayer’s adjusted gross in-
15 come for the taxable year exceeds \$120,000.

16 “(b) DEFINITIONS.—For purposes of this section—

17 “(1) QUALIFYING INDIVIDUAL.—The term
18 ‘qualifying individual’ means an individual—

19 “(A) who has attained age 65,

20 “(B) who requires assistance with activities
21 of daily living, and

22 “(C) who is, with respect to the taxpayer
23 or the taxpayer’s spouse—

24 “(i) the father or mother or an ances-
25 tor of such father or mother,

1 “(ii) the father-in-law or mother-in-
 2 law or an ancestor of such father-in-law or
 3 mother-in-law,

4 “(iii) the stepfather or stepmother or
 5 an ancestor of such stepfather or step-
 6 mother, or

7 “(iv) any other person who, for the
 8 taxable year, has the same principal place
 9 of abode as the taxpayer and is a member
 10 of the household of the taxpayer.

11 “(2) ELDERCARE EXPENSES.—

12 “(A) IN GENERAL.—The term ‘eldercare
 13 expenses’ means the following amounts paid for
 14 expenses relating to the care of a qualifying in-
 15 dividual:

16 “(i) Medical care (as defined in sec-
 17 tion 213(d)(1), without regard to subpara-
 18 graph (D) thereof).

19 “(ii) Lodging away from home in ac-
 20 cordance with section 213(d)(2).

21 “(iii) Adult day services.

22 “(iv) Personal care.

23 “(v) Respite care.

24 “(vi) Assistive technologies and de-
 25 vices (including remote health monitoring).

1 “(vii) Environmental modifications
2 (including home modifications).

3 “(viii) Counseling or training for a
4 caregiver.

5 “(B) DEFINITIONS.—For purposes of sub-
6 paragraph (A)—

7 “(i) ADULT DAY SERVICES.—The
8 term ‘adult day services’ means care pro-
9 vided for adults with functional or cog-
10 nitive impairments through a structured,
11 community-based group program which
12 provides health, social, and other related
13 support services on a less than 24-hour
14 basis.

15 “(ii) PERSONAL CARE.—The term
16 ‘personal care’ means reasonable personal
17 care services provided to assist with daily
18 living which do not require the skills of
19 qualified technical or professional per-
20 sonnel.

21 “(iii) RESPITE CARE.—The term ‘res-
22 pite care’ means planned or emergency
23 care intended to provide temporary relief
24 to a caregiver.

25 “(C) CARE CENTERS.—

1 “(i) IN GENERAL.—Eldercare ex-
 2 penses described in subparagraph (A)
 3 which are incurred for services provided
 4 outside the taxpayer’s household by a care
 5 center shall be taken into account only if
 6 such center complies with all applicable
 7 laws and regulations of a State or unit of
 8 local government.

9 “(ii) CARE CENTER.—For purposes of
 10 this subparagraph, the term ‘care center’
 11 means any facility which—

12 “(I) provides care for more than
 13 6 individuals, and

14 “(II) receives a fee, payment, or
 15 grant for providing services for any of
 16 the individuals (regardless of whether
 17 such facility is operated for profit).

18 “(c) DOLLAR LIMITATION.—

19 “(1) IN GENERAL.—The amount of the
 20 eldercare expenses incurred during any taxable year
 21 which may be taken into account under subsection
 22 (a) shall not exceed \$6,000.

23 “(2) COORDINATION WITH DEPENDENT CARE
 24 ASSISTANCE EXCLUSION.—The dollar amount in
 25 paragraph (1) shall be reduced by the aggregate

1 amount excluded from gross income under section
2 129 for the taxable year, if any.

3 “(d) SPECIAL RULES.—For purposes of this sec-
4 tion—

5 “(1) PAYMENTS TO RELATED INDIVIDUALS.—

6 No credit shall be allowed under subsection (a) for
7 any amount paid to an individual with respect to
8 whom, for the taxable year, a deduction under sec-
9 tion 151(c) is allowable either to the taxpayer or the
10 taxpayer’s spouse. For purposes of this paragraph,
11 the term ‘taxable year’ means the taxable year of the
12 taxpayer in which the service is performed.

13 “(2) IDENTIFYING INFORMATION REQUIRED
14 WITH RESPECT TO SERVICE PROVIDER.—No credit
15 shall be allowed under subsection (a) for any amount
16 paid to any person unless—

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

20 “(B) if such person is an organization de-
21 scribed in section 501(c)(3) and exempt from
22 tax under section 501(a), the name and address
23 of such person are included on the return
24 claiming the credit.

1 In the case of a failure to provide the information
 2 required under the preceding sentence, the preceding
 3 sentence shall not apply if it is shown that the tax-
 4 payer exercised due diligence in attempting to pro-
 5 vide the information so required.

6 “(3) IDENTIFYING INFORMATION REQUIRED
 7 WITH RESPECT TO QUALIFYING INDIVIDUALS.—No
 8 credit shall be allowed under subsection (a) with re-
 9 spect to any qualifying individual unless the tax-
 10 payer identification number of such individual is in-
 11 cluded on the return claiming the credit.

12 “(e) DENIAL OF DOUBLE BENEFIT.—No credit shall
 13 be allowed under subsection (a) for any amount with re-
 14 spect to which a credit is allowed under section 21.

15 “(f) REGULATIONS.—The Secretary shall prescribe
 16 such regulations as may be necessary to carry out the pur-
 17 poses of this section.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
 19 for subpart A of part IV of subchapter A of chapter 1
 20 of the Internal Revenue Code of 1986 is amended by in-
 21 serting after the item relating to section 25E the following
 22 new item:

“Sec. 25F. Expenses for eldercare.”.

23 (c) CONFORMING AMENDMENTS.—

24 (1) Section 213(e) of the Internal Revenue
 25 Code of 1986 is amended—

1 (A) by inserting “or section 25F” after
 2 “section 21”, and

3 (B) by inserting “AND ELDERS” after
 4 “CERTAIN DEPENDENTS” in the heading.

5 (2) Section 6213(g)(2) of such Code is amend-
 6 ed—

7 (A) by inserting “, section 25F (relating to
 8 expenses for care of elders),” after “(relating to
 9 expenses for household and dependent care
 10 services necessary for gainful employment)” in
 11 subparagraph (H), and

12 (B) by inserting “, 25F” after “24” in
 13 subparagraph (L).

14 (d) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to taxable years beginning after
 16 the date of the enactment of this Act.

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