

116TH CONGRESS  
1ST SESSION

# S. 1351

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

---

IN THE SENATE OF THE UNITED STATES

MAY 7, 2019

Ms. KLOBUCHAR (for herself, Ms. SMITH, Ms. HIRONO, and Mrs. FEINSTEIN) 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 (AGE) Act of 2019”.

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 25D the fol-  
10 lowing new section:

1 **“SEC. 25E. 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 25D the following  
 22 new item:

“Sec. 25E. 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 25E” 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 25E (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 “, 25E” 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.

○