

116TH CONGRESS
1ST SESSION

S. 2497

To amend the Internal Revenue Code of 1986 to exclude certain dependent income when calculating modified adjusted gross income for the purposes of eligibility for premium tax credits.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 2019

Ms. CORTEZ MASTO (for herself, Mr. BROWN, and Ms. ROSEN) 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 exclude certain dependent income when calculating modified adjusted gross income for the purposes of eligibility for premium tax credits.

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 “Dependent Income Ex-
5 clusion Act of 2019”.

1 **SEC. 2. EXCLUSION OF CERTAIN DEPENDENT INCOME FOR**
 2 **PURPOSES OF PREMIUM TAX CREDIT.**

3 (a) IN GENERAL.—Paragraph (2) of section 36B(d)
 4 of the Internal Revenue Code of 1986 is amended by add-
 5 ing at the end the following new subparagraph:

6 “(C) EXCEPTION FOR CERTAIN DEPEND-
 7 ENT INCOME.—

8 “(i) IN GENERAL.—There shall not be
 9 taken into account under subparagraph
 10 (A)(ii) any wages (determined under sec-
 11 tion 3401(a)) or net earnings from self-em-
 12 ployment (as defined in section 1402(a)) of
 13 any dependent of the taxpayer who—

14 “(I) has not attained age 18 as
 15 of the last day of the calendar year in
 16 which the taxable year of the taxpayer
 17 begins, or

18 “(II) has not attained age 24 as
 19 of the last day of such calendar year
 20 and, during each of 5 calendar
 21 months during such calendar year, is
 22 described in subparagraph (A) or (B)
 23 of section 152(f)(2) (applied by sub-
 24 stituting ‘part-time or full-time’ for
 25 ‘full-time’ each place it appears, and
 26 by deeming any for-profit educational

1 institution not to be an educational
2 organization described in section
3 170(b)(1)(A)(ii)), is participating in a
4 qualified job-training program, or is
5 participating in an apprenticeship pro-
6 gram registered under the Act of Au-
7 gust 16, 1937 (commonly known as
8 the ‘National Apprenticeship Act’; 50
9 Stat. 664, chapter 663; 29 U.S.C. 50
10 et seq.).

11 “(ii) QUALIFIED JOB-TRAINING PRO-
12 GRAM.—For purposes of this subpara-
13 graph, the term ‘qualified job-training pro-
14 gram’ means any program of training serv-
15 ices described in section 134(c)(3) of the
16 Workforce Innovation and Opportunity Act
17 (29 U.S.C. 3174(c)(3)).

18 “(iii) LIMITATION.—Clause (i) shall
19 not apply to so much of the aggregate in-
20 come of all dependents of the taxpayer as
21 exceeds an amount equal to 15 percent of
22 the modified adjusted gross income of the
23 taxpayer.

24 “(iv) TAXPAYERS RESIDING IN MED-
25 ICAID NON-EXPANSION STATES.—In the

1 case of a taxpayer residing in a State
2 which (as of the first day of the taxable
3 year) does not provide for eligibility under
4 clause (i)(VIII) or (ii)(XX) of section
5 1902(a)(10)(A) of the Social Security Act
6 for medical assistance under title XIX of
7 such Act (or a waiver of the State plan ap-
8 proved under section 1115 of the Social
9 Security Act), clause (i) shall apply to any
10 dependent of such taxpayer only to the ex-
11 tent that the application of such clause
12 would not reduce the household income
13 below 100 percent of the amount equal to
14 the poverty line for a family of the size in-
15 volved.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Clause (ii) of section 36B(d)(2)(A) of the
18 Internal Revenue Code of 1986 is amended by in-
19 serting “, except as provided in subparagraph (C),”
20 after “individuals”.

21 (2) Paragraph (3) of section 1411(b) of the Pa-
22 tient Protection and Affordable Care Act (42 U.S.C.
23 18081) is amended by adding at the end the fol-
24 lowing new subparagraph:

1 “(D) INFORMATION REGARDING CERTAIN
2 DEPENDENTS.—Information regarding whether
3 section 36B(d)(2)(C) will apply to any individ-
4 uals taken into account as members of the
5 household of the enrollee, and the amount of in-
6 come from employment of each such individual
7 for the taxable year described in subparagraph
8 (A).”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to credits allowed under section
11 36B of the Internal Revenue Code of 1986 for, and ad-
12 vance payments of credits under section 1412 of the Pa-
13 tient Protection and Affordable Care Act with respect to,
14 taxable years beginning after the date of the enactment
15 of this Act.

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