To amend the Internal Revenue Code of 1986 to provide a nonrefundable credit for working family caregivers.

IN THE SENATE OF THE UNITED STATES

Ms. Ernst (for herself, Mr. Bennet, Mrs. Capito, Ms. Warren, Ms. Baldwin, Mr. King, Mr. Blumenthal, Mr. Tester, and Mr. Coons) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to provide a nonrefundable credit for working family caregivers.

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 “Credit for Caring Act of 2019”.

SEC. 2. CREDIT FOR WORKING FAMILY CAREGIVERS.

(a) In general.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by inserting after section 25D the following new section:

**SEC. 25E. WORKING FAMILY CAREGIVERS.**

“(a) ALLOWANCE OF CREDIT.—In the case of an eligible caregiver, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the qualified expenses paid by the taxpayer during the taxable year to the extent that such expenses exceed $2,000.

“(b) LIMITATION.—

“(1) IN GENERAL.—The amount allowed as a credit under subsection (a) for the taxable year shall not exceed $3,000.

“(2) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after 2019, the dollar amount contained in paragraph (1) shall be increased by an amount equal to the product of—

“(A) such dollar amount, and

“(B) the medical care cost adjustment determined under section 213(d)(10)(B)(ii) for the calendar year in which the taxable year begins, determined by substituting ‘2018’ for ‘1996’ in subclause (II) thereof.
If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

“(c) ELIGIBLE CAREGIVER.—For purposes of this section, the term ‘eligible caregiver’ means an individual who—

“(1) during the taxable year pays or incurs qualified expenses in connection with providing care for a qualified care recipient, and

“(2) has earned income (as defined in section 32(c)(2)) for the taxable year in excess of $7,500.

“(d) QUALIFIED CARE RECIPIENT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified care recipient’ means, with respect to any taxable year, any individual who—

“(A) is the spouse of the eligible caregiver, or any other person who bears a relationship to the eligible caregiver described in any of subparagraphs (A) through (H) of section 152(d)(2), and

“(B) has been certified, before the due date for filing the return of tax for the taxable year, by a licensed health care practitioner (as defined in section 7702B(e)(4)) as being an in-
individual with long-term care needs described in paragraph (3) for a period—

“(i) which is at least 180 consecutive days, and

“(ii) a portion of which occurs within the taxable year.

“(2) Period for making certification.—Notwithstanding paragraph (1)(B), a certification shall not be treated as valid unless it is made within the 39½-month period ending on such due date (or such other period as the Secretary prescribes).

“(3) Individuals with long-term care needs.—An individual is described in this paragraph if the individual meets any of the following requirements:

“(A) The individual is at least 6 years of age and—

“(i) is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(ii) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive
impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

“(B) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

“(C) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual’s condition to be available if the individual’s parents or guardians are absent.

“(e) QUALIFIED EXPENSES.—For purposes of this section—

“(1) IN GENERAL.—Subject to paragraph (4), the term ‘qualified expenses’ means expenditures for goods, services, and supports that—
“(A) assist a qualified care recipient with accomplishing activities of daily living (as defined in section 7702B(c)(2)(B)) and instrumental activities of daily living (as defined in section 1915(k)(6)(F) of the Social Security Act (42 U.S.C. 1396n(k)(6)(F))), and

“(B) are provided solely for use by such qualified care recipient.

“(2) Adjustment for other tax benefits.—The amount of qualified expenses otherwise taken into account under paragraph (1) with respect to an individual shall be reduced by the sum of any amounts paid for the benefit of such individual for the taxable year which are—

“(A) taken into account under section 21 or 213, or

“(B) excluded from gross income under section 129, 223(f), or 529A(c)(1)(B).

“(3) Goods, services, and supports.—For purposes of paragraph (1), goods, services, and supports (as defined by the Secretary) shall include—

“(A) human assistance, supervision, cuing and standby assistance,

“(B) assistive technologies and devices (including remote health monitoring),
“(C) environmental modifications (including home modifications),
“(D) health maintenance tasks (such as medication management),
“(E) information,
“(F) transportation of the qualified care recipient,
“(G) non-health items (such as incontinence supplies), and
“(H) coordination of and services for people who live in their own home, a residential setting, or a nursing facility, as well as the cost of care in these or other locations.

“(4) QUALIFIED EXPENSES FOR ELIGIBLE CAREGIVERS.—For purposes of paragraph (1), the following shall be treated as qualified expenses if paid or incurred by an eligible caregiver:

“(A) Expenditures for respite care for a qualified care recipient.
“(B) Expenditures for counseling, support groups, or training relating to caring for a qualified care recipient.
“(C) Lost wages for unpaid time off due to caring for a qualified care recipient as verified by an employer.
“(D) Travel costs of the eligible caregiver related to caring for a qualified care recipient.

“(E) Expenditures for technologies, as determined by the Secretary, that assist an eligible caregiver in providing care for a qualified care recipient.

“(5) HUMAN ASSISTANCE.—The term ‘human assistance’ includes the costs of a direct care worker.

“(6) DOCUMENTATION.—An expense shall not be taken into account under this section unless the eligible caregiver substantiates such expense under such regulations or guidance as the Secretary shall provide.

“(7) MILEAGE RATE.—For purposes of this section, the mileage rate for the use of a passenger automobile shall be the standard mileage rate used to calculate the deductible costs of operating an automobile for medical purposes. Such rate may be used in lieu of actual automobile-related travel expenses.

“(8) COORDINATION WITH ABLE ACCOUNTS.—Qualified expenses for a taxable year shall not include contributions to an ABLE account (as defined in section 529A).
“(f) Phase Out Based on Adjusted Gross Income.—For purposes of this section—

“(1) In General.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $100 for each $1,000 (or fraction thereof) by which the taxpayer’s modified adjusted gross income exceeds the threshold amount.

“(2) Modified Adjusted Gross Income.—The term ‘modified adjusted gross income’ means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

“(3) Threshold Amount.—The term ‘threshold amount’ means—

“(A) $150,000 in the case of a joint return, and

“(B) $75,000 in any other case.

“(4) Indexing.—In the case of any taxable year beginning in a calendar year after 2019, each dollar amount contained in paragraph (3) shall be increased by an amount equal to the product of—

“(A) such dollar amount, and

“(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by sub-
stituting ‘calendar year 2018’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(5) Rounding Rule.—If any increase determined under paragraph (4) is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

“(g) Identification of Eligible Caregiver with Care Recipient (Qualified Care Recipient) Identification Requirement.—No credit shall be allowed under this section to a taxpayer with respect to any qualified care recipient unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the licensed health care practitioner certifying such individual, on the return of tax for the taxable year.”.

(b) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25D the following new item:

“Sec. 25E. Working family caregivers.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.