

117TH CONGRESS
1ST SESSION

H. R. 3689

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2021

Mrs. AXNE (for herself, Ms. SCHAKOWSKY, and Mr. MCKINLEY) introduced the following bill; which was referred to the Committee on Ways and Means

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 2021”.

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 60,

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,

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, or

11 “(v) a family member or other indi-
12 vidual who has a significant relationship
13 with the taxpayer or the taxpayer’s spouse,
14 and to whom such taxpayer or spouse pro-
15 vides a broad range of assistance with re-
16 spect to a chronic or other health condi-
17 tion, disability, or functional limitation.

18 “(2) ELDERCARE EXPENSES.—

19 “(A) IN GENERAL.—The term ‘eldercare
20 expenses’ means the following amounts paid for
21 expenses relating to the care of a qualifying in-
22 dividual:

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

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

3 “(iii) Adult day services.

4 “(iv) Personal care.

5 “(v) Respite care.

6 “(vi) Assistive technologies and de-
7 vices (including remote health monitoring).

8 “(vii) Environmental modifications
9 (including home modifications).

10 “(viii) Counseling or training for a
11 caregiver.

12 “(B) DEFINITIONS.—For purposes of sub-
13 paragraph (A)—

14 “(i) ADULT DAY SERVICES.—The
15 term ‘adult day services’ means care pro-
16 vided for adults with functional or cog-
17 nitive impairments through a structured,
18 community-based group program which
19 provides health, social, and other related
20 support services on a less than 24-hour
21 basis.

22 “(ii) PERSONAL CARE.—The term
23 ‘personal care’ means reasonable personal
24 care services provided to assist with daily
25 living which do not require the skills of

1 qualified technical or professional per-
2 sonnel.

3 “(iii) RESPITE CARE.—The term ‘res-
4 pite care’ means planned or emergency
5 care intended to provide temporary relief
6 to a caregiver.

7 “(C) CARE CENTERS.—

8 “(i) IN GENERAL.—Eldercare ex-
9 penses described in subparagraph (A)
10 which are incurred for services provided
11 outside the taxpayer’s household by a care
12 center shall be taken into account only if
13 such center complies with all applicable
14 laws and regulations of a State or unit of
15 local government.

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

19 “(I) provides care for more than
20 6 individuals, and

21 “(II) receives a fee, payment, or
22 grant for providing services for any of
23 the individuals (regardless of whether
24 such facility is operated for profit).

25 “(c) DOLLAR LIMITATION.—

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

5 “(2) COORDINATION WITH DEPENDENT CARE
6 ASSISTANCE EXCLUSION.—The dollar amount in
7 paragraph (1) shall be reduced by the aggregate
8 amount excluded from gross income under section
9 129 for the taxable year, if any.

10 “(d) SPECIAL RULES.—For purposes of this sec-
11 tion—

12 “(1) PAYMENTS TO RELATED INDIVIDUALS.—
13 No credit shall be allowed under subsection (a) for
14 any amount paid to an individual with respect to
15 whom, for the taxable year, a deduction under sec-
16 tion 151(c) is allowable either to the taxpayer or the
17 taxpayer’s spouse. For purposes of this paragraph,
18 the term ‘taxable year’ means the taxable year of the
19 taxpayer in which the service is performed.

20 “(2) IDENTIFYING INFORMATION REQUIRED
21 WITH RESPECT TO SERVICE PROVIDER.—No credit
22 shall be allowed under subsection (a) for any amount
23 paid to any person unless—

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

4 “(B) if such person is an organization de-
5 scribed in section 501(c)(3) and exempt from
6 tax under section 501(a), the name and address
7 of such person are included on the return
8 claiming the credit.

9 In the case of a failure to provide the information
10 required under the preceding sentence, the preceding
11 sentence shall not apply if it is shown that the tax-
12 payer exercised due diligence in attempting to pro-
13 vide the information so required.

14 “(3) IDENTIFYING INFORMATION REQUIRED
15 WITH RESPECT TO QUALIFYING INDIVIDUALS.—No
16 credit shall be allowed under subsection (a) with re-
17 spect to any qualifying individual unless the tax-
18 payer identification number of such individual is in-
19 cluded on the return claiming the credit.

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

23 “(f) REGULATIONS AND GUIDANCE.—Not later than
24 one year after the date of the enactment of this section,
25 the Secretary shall promulgate such regulations or guid-

1 ance as are necessary to carry out this section and to pre-
 2 vent fraud and abuse with respect to the credit under this
 3 section.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
 5 for subpart A of part IV of subchapter A of chapter 1
 6 of the Internal Revenue Code of 1986 is amended by in-
 7 serting after the item relating to section 25D the following
 8 new item:

“Sec. 25E. Expenses for eldercare.”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 213(e) of the Internal Revenue
 11 Code of 1986 is amended—

12 (A) by inserting “or section 25E” after
 13 “section 21”, and

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

16 (2) Section 6213(g)(2) of such Code is amend-
 17 ed—

18 (A) by inserting “, section 25E (relating to
 19 expenses for care of elders),” after “(relating to
 20 expenses for household and dependent care
 21 services necessary for gainful employment)” in
 22 subparagraph (H), and

23 (B) by inserting “, 25E” after “24” in
 24 subparagraph (L).

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

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