

117TH CONGRESS
1ST SESSION

H. R. 4478

To amend the Internal Revenue Code of 1986 to treat certain payments made by Indian tribal governments as earned income for purposes of the kiddie tax.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2021

Ms. MOORE of Wisconsin (for herself, Mr. ESTES, Mr. PANETTA, Mr. FITZPATRICK, Mr. KIND, Mr. JOYCE of Ohio, Mr. CARBAJAL, Mrs. WALORSKI, and Mr. YOUNG) 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 treat certain payments made by Indian tribal governments as earned income for purposes of the kiddie tax.

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 “Tax Fairness for Trib-
5 al Youth Act of 2021”.

1 **SEC. 2. CERTAIN PAYMENTS MADE BY INDIAN TRIBAL GOV-**
2 **ERNMENTS TREATED AS EARNED INCOME**
3 **FOR KIDDIE TAX.**

4 (a) IN GENERAL.—Section 1(g)(4)(C) of the Internal
5 Revenue Code of 1986 is amended to read as follows:

6 “(C) TREATMENT OF CERTAIN AMOUNTS
7 AS EARNED INCOME.—For purposes of this sub-
8 section, each of the following amounts shall be
9 treated as earned income of the child referred
10 to in paragraph (1) to the extent included in
11 the gross income of such child:

12 “(i) DISTRIBUTIONS FROM QUALIFIED
13 DISABILITY TRUSTS.—Any amount in-
14 cluded in the gross income of such child
15 under section 652 or 662 by reason of
16 being a beneficiary of a qualified disability
17 trust (as defined in section
18 642(b)(2)(C)(ii)).

19 “(ii) CERTAIN INDIAN TRIBAL PAY-
20 MENTS.—Any payment made by an Indian
21 tribal government (as defined in section
22 139E(c)(1)), or from a trust of which the
23 Indian tribal government is treated as the
24 owner under subpart E of part I of sub-
25 chapter J, to such child if—

1 “(I) such child is an enrolled
2 member of the tribe with respect to
3 such Indian tribal government, and

4 “(II) such payment is received by
5 such child by reason of such enroll-
6 ment.”.

7 (b) APPLICATION TO ALTERNATIVE MINIMUM
8 TAX.—Section 59(j)(1)(A) of such Code is amended by
9 inserting “and including amounts treated as earned in-
10 come under section 1(g)(4)(C)” after “section 911(d)(2)”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2021.

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