

117TH CONGRESS
1ST SESSION

H. R. 4783

To amend the Internal Revenue Code of 1986 to treat certain tribal benefits and Alaska Permanent Fund dividends as earned income for purposes of the kiddie tax.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2021

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 tribal benefits and Alaska Permanent Fund dividends 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. CERTAIN AMOUNTS TREATED AS EARNED IN-**
4 **COME FOR KIDDIE TAX.**

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

7 “(C) TREATMENT OF CERTAIN AMOUNTS
8 AS EARNED INCOME.—For purposes of this sub-
9 section, each of the following amounts shall be

1 treated as earned income of the child referred
2 to in paragraph (1) to the extent included in
3 the gross income of such child:

4 “(i) DISTRIBUTIONS FROM QUALIFIED
5 DISABILITY TRUSTS.—Any amount in-
6 cluded in the gross income of such child
7 under section 652 or 662 by reason of
8 being a beneficiary of a qualified disability
9 trust (as defined in section
10 642(b)(2)(C)(ii)).

11 “(ii) CERTAIN INDIAN TRIBAL PAY-
12 MENTS.—Any payment which is included
13 in the gross income of such child and made
14 by an Indian tribal government (as defined
15 in section 139E(c)(1)), or from a trust of
16 which the Indian tribal government is
17 treated as the owner under subpart E of
18 part I of subchapter J, to or for the ben-
19 efit of such child if—

20 “(I) such child or a family mem-
21 ber (within the meaning of section
22 267(c)(4)) is an enrolled member of
23 the tribe with respect to such Indian
24 tribal government, and

1 “(II) such payment is made by
2 reason of such enrollment.

3 “(iii) CERTAIN PAYMENTS FROM NA-
4 TIVE CORPORATIONS OR SETTLEMENT
5 TRUSTS.—Any payment which is included
6 in the gross income of such child and—

7 “(I) made by a Native corpora-
8 tion (as defined in section 646(h)(2))
9 to or for the benefit of such child if
10 such child or a family member (within
11 the meaning of section 267(c)(4)) has
12 an equity interest in the Native cor-
13 poration, or

14 “(II) made by a Settlement
15 Trust (as defined in section
16 646(h)(4)) to or for the benefit of
17 such child if such child or a family
18 member (within the meaning of sec-
19 tion 267(c)(4)) has a beneficial inter-
20 est in such Settlement Trust.

21 “(iv) ALASKA PERMANENT FUND
22 DIVIDENDS.—The amount of any Alaska
23 Permanent Fund dividend which is in-
24 cluded in the gross income of such child.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2020.

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