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(Original Signature of Member)

108TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. BARRETT of South Carolina introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide an additional personal exemption for certain dependents with long-term care needs.

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 “Caring Family Act
5 of 2003”.



1 **SEC. 2. ADDITIONAL PERSONAL EXEMPTION FOR DEPEND-**
 2 **ENTS WITH LONG-TERM CARE NEEDS IN TAX-**
 3 **PAYER’S HOME.**

4 (a) IN GENERAL.—Section 151 of the Internal Rev-
 5 enue Code of 1986 (relating to allowance of deductions
 6 for personal exemptions) is amended by redesignating sub-
 7 sections (d) and (e) as subsections (e) and (f), respectively,
 8 and by inserting after subsection (c) the following new
 9 subsection:

10 “(d) ADDITIONAL EXEMPTION FOR DEPENDENTS
 11 WITH LONG-TERM CARE NEEDS IN TAXPAYER’S
 12 HOME.—

13 “(1) IN GENERAL.—An exemption of the appli-
 14 cable amount for each qualified family member of
 15 the taxpayer.

16 “(2) APPLICABLE AMOUNT.—For purposes of
 17 paragraph (1), the applicable amount is the amount
 18 determined in accordance with the following table:

| For taxable years beginning in calendar year— | The applicable applicable amount is— |
|--|---|
| 2003 and 2004 | \$500 |
| 2005 and 2006 | 1,000 |
| 2007 and 2008 | 1,500 |
| 2009 and 2010 | 2,000 |
| 2011 and 2012 | 2,500 |
| 2013 and thereafter | 0. |

19 “(3) QUALIFIED FAMILY MEMBER.—For pur-
 20 poses of this subsection, the term ‘qualified family
 21 member’ means, with respect to any taxable year,
 22 any individual—



1 “(A) who is—

2 “(i) the spouse of the taxpayer, or

3 “(ii) a dependent of the taxpayer with
4 respect to whom the taxpayer is entitled to
5 an exemption under subsection (e),

6 “(B) who has attained age 60 before the
7 close of the taxable year,

8 “(C) who is an individual with long-term
9 care needs, and

10 “(D) who, for more than one-half of the
11 taxable year, has as such individual’s principal
12 place of abode the home of the taxpayer and is
13 a member of the taxpayer’s household.

14 “(4) INDIVIDUALS WITH LONG-TERM CARE
15 NEEDS.—For purposes of this subsection, the term
16 ‘individual with long-term care needs’ means, with
17 respect to any taxable year, an individual who has
18 been certified during such year by a physician (as
19 defined in section 1861(r)(1) of the Social Security
20 Act) as being, for a period of at least 180 consecu-
21 tive days which includes the date of the
22 certification—

23 “(A) an individual who is unable to per-
24 form (without substantial assistance from an-
25 other individual) at least 2 activities of daily liv-



1 ing (as defined in section 7702B(c)(2)(B)) due
2 to a loss of functional capacity, or

3 “(B) an individual who requires substan-
4 tial supervision to protect such individual from
5 threats to health and safety due to severe cog-
6 nitive impairment and is unable to perform,
7 without reminding or cuing assistance, at least
8 1 activity of daily living (as so defined) or to
9 the extent provided in regulations prescribed by
10 the Secretary (in consultation with the Sec-
11 retary of Health and Human Services), is un-
12 able to engage in age appropriate activities.

13 “(5) IDENTIFICATION REQUIREMENT.—

14 “(A) IN GENERAL.—No exemption shall be
15 allowed under this subsection to a taxpayer
16 with respect to any qualified family member un-
17 less the taxpayer includes on the return of tax
18 for the taxable year—

19 “(i) the name and TIN of such mem-
20 ber, and

21 “(ii) the name and TIN of the physi-
22 cian certifying such member.

23 “(B) EXCEPTION FOR DUE DILIGENCE.—

24 In the case of a failure to provide the informa-
25 tion required under subparagraph (A)(ii), such



1 subparagraph shall not apply if it is shown that
2 the taxpayer exercised due diligence in attempt-
3 ing to provide the information so required.

4 “(6) SPECIAL RULES.—Rules similar to the
5 rules of paragraphs (2), (3), and (4) of section 21(e)
6 shall apply for purposes of this subsection.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1(f)(6)(A) of such Code is amended
9 by striking “151(d)(4)” and inserting “151(e)(4)”.

10 (2) Section 1(f)(6)(B) of such Code, as amend-
11 ed by the Economic Growth and Tax Relief Rec-
12 onciliation Act of 2001, is amended by striking
13 “151(d)(3)(A)” and inserting “151(e)(3)(A)”.

14 (3) Section 1(f)(6)(B) of such Code, as in effect
15 on the day before the date of the enactment of the
16 Economic Growth and Tax Relief Reconciliation Act
17 of 2001, is amended by striking “151(d)(4)(A)” and
18 inserting “151(e)(4)(A)”.

19 (4) Section 3402(f)(1)(A) of such Code is
20 amended by striking “151(d)(2)” and inserting
21 “151(e)(2)”.

22 (5) Section 3402(r)(2)(B) of such Code is
23 amended by striking “151(d)” and inserting
24 “151(e)”.



1 (6) Section 6012(a)(1)(D)(ii) of such Code is
2 amended—

3 (A) by striking “151(d)” and inserting
4 “151(e)”, and

5 (B) by striking “151(d)(2)” and inserting
6 “151(e)(2)”.

7 (7) Section 6013(b)(3)(A) of such Code is
8 amended by striking “151(d)” and inserting
9 “151(e)”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2002.

