H. R. 11

To amend the Internal Revenue Code of 1986 to assist in the support of children living in poverty by allowing a refundable credit to grandparents of those children for the purchase of household items for the benefit of those children, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. VEASEY introduced the following bill; which was referred to the Committee on __________________________

A BILL

To amend the Internal Revenue Code of 1986 to assist in the support of children living in poverty by allowing a refundable credit to grandparents of those children for the purchase of household items for the benefit of those children, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Grandparents Tax Credit Act of 2015”.

SEC. 2. REFUNDABLE CREDIT FOR HOUSEHOLD ITEMS PURCHASED BY GRANDPARENTS FOR GRANDCHILDREN LIVING IN POVERTY.

(a) In General.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by inserting after section 36B the following new section:

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“SEC. 36C. CREDIT FOR HOUSEHOLD ITEMS PURCHASED BY GRANDPARENTS FOR GRANDCHILDREN LIVING IN POVERTY.

“(a) In General.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to the amount paid or incurred by the taxpayer during the taxable year for household items for the benefit of an qualified child.

“(b) Maximum Credit.—The credit allowed by this section for the taxable year shall not exceed $500.

“(c) Definitions and Special Rules.—For purposes of this section—

“(1) Eligible Individual.—The term ‘eligible individual’ means, with respect to any child, any individual who is a grandparent of such child.

“(2) Household Items.—The term ‘household items’ includes food, clothing, and other items typically used by or for the benefit of children.
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"(3) QUALIFIED CHILD.—The term ‘qualified child’ means any individual if—

“(A) such individual has not attained the age of 18 as of the close of the calendar year in which the taxable year of the taxpayer begins,

“(B) for more than one-half of such taxable year, such individual has the same principal place of abode as—

“(i) the taxpayer, and

“(ii) at least 1 parent of such child,

“(C) such parent is entitled to claim, and claims, a deduction for such child under section 151 (relating to allowance of deductions for personal exemptions),

“(D) the modified adjusted gross income (as defined in section 24(b)) of such parent (or parents in the case of a joint return) does not exceed 300 percent of the Federal poverty level (as determined in accordance with criteria established by the Director of the Office of Management and Budget), and

“(E) such place of abode is in the United States.
“(4) GRANDPARENTS.—An older individual shall be treated as a grandparent of another individual only if such individual is—

“(A) a biological descendant of the older individual, or

“(B) an adopted child (within the meaning of section 152(f)(1)(B)) of a biological descendant of the older individual.

“(d) IDENTIFICATION REQUIREMENTS.—

“(1) IN GENERAL.—A qualifying child shall not be taken into account under this section unless the taxpayer includes the name, age, and TIN of the qualifying child on the return of tax for the taxable year.

“(2) OTHER METHODS.—The Secretary may prescribe other methods for providing the information described in paragraph (1).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) of such Code is amended by inserting “36C,” after “36B,”.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “36C,” after “36B,”.

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Rev-
enue Code of 1986 is amended by inserting after the item relating to section 36C the following new item:

“Sec. 36C. Credit for household items purchased by grandparents for grandchildren living in poverty.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.