

104TH CONGRESS
1ST SESSION

S. 407

To amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses of individual taxpayers with respect to a dependent of the taxpayer who suffers from Alzheimer's disease or related organic brain disorders.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14 (legislative day, JANUARY 30), 1995

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses of individual taxpayers with respect to a dependent of the taxpayer who suffers from Alzheimer's disease or related organic brain disorders.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DEDUCTION ALLOWANCE FOR HOME HEALTH**
 2 **CARE AND ADULT DAY AND RESPITE CARE**
 3 **EXPENSES OF INDIVIDUALS FOR DEPEND-**
 4 **ENTS WITH ALZHEIMER'S DISEASE OR RELAT-**
 5 **ED ORGANIC BRAIN DISORDERS.**

6 (a) IN GENERAL.—Part VII of subchapter B of chap-
 7 ter 1 of the Internal Revenue Code of 1986 (relating to
 8 additional itemized deductions for individuals) is amended
 9 by redesignating section 220 as section 221 and by insert-
 10 ing after section 219 the following new section:

11 **“SEC. 220. HOME HEALTH CARE AND ADULT DAY AND RES-**
 12 **PITE CARE EXPENSES FOR DEPENDENTS**
 13 **WITH ALZHEIMER'S DISEASE OR RELATED**
 14 **ORGANIC BRAIN DISORDERS.**

15 “(a) DEDUCTION ALLOWED.—In the case of an indi-
 16 vidual who maintains a household which includes a quali-
 17 fied dependent of such individual, there shall be allowed
 18 as a deduction the qualified home health care and adult
 19 day respite care expenses of such individual with respect
 20 to such dependent.

21 “(b) DEFINITIONS.—For purposes of this section—

22 “(1) QUALIFIED DEPENDENT.—The term
 23 ‘qualified dependent’ means any individual (includ-
 24 ing the spouse of the taxpayer but not including the
 25 taxpayer) who—

1 “(A) has as his principal place of abode
2 the principal residence of the taxpayer, and is
3 a member of the taxpayer’s household, for more
4 than 180 days of the calendar year during
5 which the taxable year of the taxpayer begins,

6 “(B) is a dependent of the taxpayer (with-
7 in the meaning given to such term by sub-
8 section (a) of section 152 other than paragraph
9 (9) of such subsection) for such calendar year,
10 and

11 “(C) at the close of such calendar year,
12 suffers from Alzheimer’s disease (or a related
13 organic brain disorder) and is physically or
14 mentally incapable of caring for himself, as de-
15 termined by a physician.

16 “(2) QUALIFIED HOME HEALTH CARE AND
17 ADULT DAY AND RESPITE CARE EXPENSES.—The
18 term ‘qualified home health care and adult day and
19 respite care expenses’ means the excess of—

20 “(A) the reasonable and necessary ex-
21 penses paid or incurred by the taxpayer for—

22 “(i) household services for a qualified
23 dependent, and

1 “(ii) the care (including respite care)
2 of such dependent in the home or in an
3 adult day care center, over

4 “(B) the reasonable and necessary ex-
5 penses such taxpayer would have paid or in-
6 curred for household services for, and the care
7 of, such qualified dependent if such dependent
8 had been capable of caring for himself.

9 “(3) PHYSICIAN.—The term ‘physician’ has the
10 meaning given to such term by section 1861(r) of
11 the Social Security Act (42 U.S.C. 1395x(r)).

12 “(c) SPECIAL RULES.—For purposes of this sec-
13 tion—

14 “(1) MAINTAINING A HOUSEHOLD.—An individ-
15 ual shall be treated as maintaining a household for
16 any period only if over half the cost of maintaining
17 the household for such period is furnished by such
18 individual (or, if the individual is married, by the in-
19 dividual and his spouse).

20 “(2) MARRIED COUPLE MUST FILE JOINT RE-
21 TURN.—If the taxpayer is married at the close of
22 the taxable year, the deduction shall be allowed
23 under subsection (a) only if the taxpayer and his
24 spouse file a joint return under section 6013 for the
25 taxable year.

1 “(d) CERTIFICATION OF DIAGNOSIS BY PHYSI-
2 CIAN.—Any determination by a physician that—

3 “(1) an individual suffers from Alzheimer’s dis-
4 ease or a related organic brain disorder, and

5 “(2) such individual is mentally or physically
6 incapable of caring for himself,

7 shall be certified by the physician to the Secretary at such
8 time and in such manner as the Secretary shall by regula-
9 tion prescribe.

10 “(e) COORDINATION WITH SECTIONS 21 AND 213.—

11 If any amount allowable as a deduction under this section
12 would (but for this subsection) also be taken into account
13 for purposes of determining the amount of any credit al-
14 lowable under section 21 (relating to expenses for house-
15 hold and dependent care services necessary for gainful em-
16 ployment) or any deduction allowable under section 213
17 (relating to medical, dental, etc. expenses), this section
18 shall apply only if the taxpayer elects its application. If
19 this section is elected with respect to any amount, such
20 amount shall not be taken into account under section 21
21 or 213. Such election shall be made at such time and in
22 such manner as the Secretary shall by regulation pre-
23 scribe.”

24 (b) DEDUCTION ALLOWED IN ARRIVING AT AD-
25 JUSTED GROSS INCOME.—Section 62(a) of such Code (de-

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.