

**AMENDMENT**

**OFFERED BY M**     .

Strike subsection (c) of section 1103.

Add at the end of subtitle B of title I the following:

1 **SEC. 1104. EARNED INCOME CREDIT.**

2 (a) STRENGTHENING THE EARNED INCOME TAX  
3 CREDIT FOR INDIVIDUALS WITH NO QUALIFYING CHIL-  
4 DREN.—

5 (1) CREDIT FOR CERTAIN INDIVIDUALS OVER  
6 AGE 18.—Section 32(c)(1) is amended by adding at  
7 the end the following new subparagraph:

8 “(G) SPECIAL RULE FOR WORKING INDI-  
9 VIDUALS OVER AGE 18 AND WITHOUT QUALI-  
10 FYING CHILD.—In the case of an individual (or,  
11 if the individual is married, either the individual  
12 or the individual’s spouse) who has attained the  
13 age of 18 but not attained age 25 before the  
14 close of the taxable year, paragraph  
15 (1)(A)(ii)(II) shall not apply for purposes of de-  
16 termining whether such individual is an eligible  
17 individual.”.

18 (2) INCREASED CREDIT.—

1 (A) CREDIT PERCENTAGE AND PHASEOUT  
2 PERCENTAGE.—The table contained in section  
3 32(b)(1) is amended by striking “7.65” each  
4 place it appears and inserting “15.3”.

5 (B) EARNED INCOME AMOUNT AND PHASE-  
6 OUT AMOUNT.—

7 (i) IN GENERAL.—The table contained  
8 in section 32(b)(2)(A) is amended—

9 (I) by striking “\$4,220” and in-  
10 sserting “\$8,820”, and

11 (II) by striking “\$5,280” and in-  
12 sserting “\$10,425”.

13 (ii) INFLATION ADJUSTMENTS.—Sec-  
14 tion 32(j)(1)(B) is amended—

15 (I) by inserting “except as pro-  
16 vided in clause (iii)” in clause (i) be-  
17 fore “in the case of amounts”,

18 (II) by striking “and” at the end  
19 of clause (i), by striking the period at  
20 the end of clause (ii) and inserting “,  
21 and”, and by adding at the end the  
22 following new clause:

23 “(iii) in the case of the \$8,820 and  
24 \$10,425 amounts in subsection (b)(2)(A),  
25 by substituting ‘calendar year 2012’ for

1                   ‘calendar year 1992’ in subparagraph (B)  
2                   of such section 1.”.

3           (b) TAXPAYER ELIGIBLE FOR CREDIT FOR INDIVID-  
4 UALS WITH NO QUALIFYING CHILDREN IF QUALIFYING  
5 CHILDREN DO NOT HAVE VALID SOCIAL SECURITY NUM-  
6 BERS.—Section 32(c)(1)(F) is amended to read as follows:

7                   “(F) INDIVIDUALS WHO DO NOT INCLUDE  
8                   TIN, ETC., OF ANY QUALIFYING CHILD.—In the  
9                   case of any eligible individual who has one or  
10                  more qualifying children, if—

11                   “(i) no qualifying child of such indi-  
12                   vidual is taken into account under sub-  
13                   section (b) by reason of paragraph (3)(D),  
14                   and

15                   “(ii) no child of such individual is  
16                   taken into account for purposes of any  
17                   other child tax benefit under this chapter,  
18                   for purposes of the credit allowed under this  
19                   section, such individual may be considered an  
20                   eligible individual without a qualifying child.”.

21           (c) CREDIT ALLOWED IN CASE OF CERTAIN SEPA-  
22 RATED SPOUSES.—Section 32(d) is amended—

23                   (1) by striking “MARRIED INDIVIDUALS.—In  
24                   the case of” and inserting the following: “MARRIED  
25                   INDIVIDUALS.—

1 “(1) IN GENERAL.—In the case of”, and

2 (2) by adding at the end the following new  
3 paragraph:

4 “(2) SPECIAL RULE FOR SEPARATED  
5 SPOUSE.—An individual shall not be treated as mar-  
6 ried for purposes of this section if such individual—

7 “(A) is married (within the meaning of  
8 section 7703(a)) and files a separate return for  
9 the taxable year,

10 “(B) lives with a qualifying child of the in-  
11 dividual for more than one-half of such taxable  
12 year, and

13 “(C)(i) during the last 6 months such tax-  
14 able year, does not have the same principal  
15 place of abode as the individual’s spouse, or

16 “(ii) has a legally binding separation  
17 agreement with the individual’s spouse and is  
18 not a member of the same household with the  
19 individual’s spouse by the end of the taxable  
20 year.”.

21 (d) TAXPAYER ELIGIBLE FOR CREDIT WITHOUT  
22 QUALIFYING CHILD IF QUALIFYING CHILD CLAIMED BY  
23 ANOTHER MEMBER OF FAMILY.—Section 32(c)(1), as  
24 amended by subsection (a), is amended by adding at the  
25 end the following new subparagraph:

1           “(H) TAXPAYER ELIGIBLE FOR CREDIT  
2           WITHOUT QUALIFYING CHILD IF QUALIFYING  
3           CHILD CLAIMED BY ANOTHER MEMBER OF FAM-  
4           ILY.—

5           “(i) IN GENERAL.—If—

6                   “(I) an individual is claimed as a  
7                   qualifying child by an eligible indi-  
8                   vidual for any taxable year of such eli-  
9                   gible individual beginning in a cal-  
10                  endar year, and

11                   “(II) such individual is the quali-  
12                   fying child of another eligible indi-  
13                   vidual for any taxable year beginning  
14                   in such calendar year,

15                  such other eligible individual may be treat-  
16                  ed as an eligible individual without a quali-  
17                  fying child for purposes of this section for  
18                  such taxable year.

19                  “(ii) EXCEPTION FOR QUALIFYING  
20                  CHILD CLAIMED BY PARENT.—If an indi-  
21                  vidual is claimed as a qualifying child for  
22                  any taxable year by a parent of such child,  
23                  clause (i) shall not apply with respect to  
24                  any other custodial parent of such child.”.

1 (e) ELIMINATION OF DISQUALIFIED INVESTMENT IN-  
2 COME TEST.—

3 (1) IN GENERAL.—Section 32 is amended by  
4 striking subsection (i).

5 (2) CONFORMING AMENDMENTS.—

6 (A) Section 32(j)(1)(B)(i) of such Code is  
7 amended by striking “subsections (b)(2)(A) and  
8 (i)(1)” and inserting “subsection (b)(2)(A)”.

9 (B) Section 32(j)(2) of such Code is  
10 amended—

11 (i) by striking paragraph (2), and

12 (ii) by striking “ROUNDING.—” and  
13 all that follows through “If any dollar  
14 amount” and inserting the following:  
15 “ROUNDING.—If any dollar amount”.

16 (f) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 the date of the enactment of this Act.

