

AMENDMENT TO THE

SENATE AMENDMENT TO H.R. 1

OFFERED BY MS. JOHNSON OF TEXAS

At the end of title __, add the following new section:

SEC. 110108.

SEC. 110108. FOSTER CARE TAX CREDIT.

2 (a) ALLOWANCE OF CREDIT.—

3 (1) IN GENERAL.—Subpart C of part IV of sub⁴
chapter A of chapter 1 is amended by inserting
after

5 section 36B the following new section:

6 “SEC. 36C. FOSTER CARE TAX CREDIT.

7 “(a) ALLOWANCE OF CREDIT.—In the case of
an eli⁸ gible taxpayer, there shall be allowed as a
credit against

9 the tax imposed by this chapter for the taxable year
an

10 amount equal to \$850.

11 “(b) LIMITATION.—

12 “(1) IN GENERAL.—The amount of the credit

13 allowable under subsection (a) (determined without

14 regard to this subsection) shall be reduced (but not

15 below zero) by the amount which bears the same

16 ratio to such credit (as so determined) as—

17 “(A) the excess of—

1 “(i) the taxpayer’s modified adjusted

2 gross income for such taxable year, over

3 “(ii) the threshold amount, bears to

4 “(B) \$17,000.

5 “(2) THRESHOLD AMOUNT.—For purposes of

6 paragraph (1), the term ‘threshold amount’ means—

7 “(A) \$250,000, in the case of a joint re8 turn,

9 “(B) \$150,000, in the case of an individual

10 who is not married, and

11 “(C) \$125,000, in the case of a married

12 individual filing a separate return.

13 For purposes of this paragraph, marital status shall

14 be determined under section 7703.

15 “(3) MODIFIED ADJUSTED GROSS
INCOME.—

16 For purposes of this subsection, the term ‘modified

17 adjusted gross income’ means the adjusted gross
in18 come of the taxpayer for the taxable year
increased

19 by any amount excluded from gross income under

20 section 911, 931, or 933.

21 “(c) ELIGIBLE TAXPAYER.—For purposes of
this section—

23 “(1) IN GENERAL.—The term ‘eligible taxpayer’
24 means, with respect to any taxable year, any tax-
payer—

1 “(A) with whom a qualifying foster child

2 was placed for a period of not less than 1

3 month during such taxable year, and

4 “(B) for whom a credit under section 24

5 with respect to such eligible foster child is not

6 allowed for such taxable year.

7 “(2) QUALIFYING FOSTER CHILD.—The term

8 ‘qualifying foster child’ means an eligible foster
child

9 (within the meaning of section 152(f)(1)(C))—

10 “(A) who has not attained age 17, and

11 “(B) who is a citizen, national, or resident

12 of the United States.

13 “(3) CALENDAR MONTH.—For purposes of this

14 paragraph (1)(A), if a foster child resides in the

15 home of the taxpayer for more than 15 consecutive

16 days of a calendar month but fewer than the total

17 number of days in such calendar month, such foster
18 child shall be treated as residing in the home of the
19 taxpayer for the full calendar month.

20 “(d) RESTRICTIONS ON TAXPAYERS WHO
IMPROPERLY CLAIMED CREDIT IN PRIOR
YEAR.—

22 “(1) TAXPAYERS MAKING PRIOR
FRAUDULENT

23 OR RECKLESS CLAIMS.—

1 “(A) IN GENERAL.—No credit shall be allowed
under this section for any taxable year in

3 the disallowance period.

4 “(B) DISALLOWANCE PERIOD.—For purposes
of subparagraph (A), the disallowance period is—

7 “(i) the period of 10 taxable years

8 after the most recent taxable year for

9 which there was a final determination that

10 the taxpayer’s claim of credit under this

11 section was due to fraud, and

12 “(ii) the period of 2 taxable years

13 after the most recent taxable year for

14 which there was a final determination that

15 the taxpayer’s claim of credit under this

16 section was due to reckless or intentional

17 disregard of rules and regulations (but not
18 due to fraud).

19 “(2) TAXPAYERS MAKING IMPROPER
PRIOR

20 CLAIMS.—In the case of a taxpayer who is denied
21 credit under this section for any taxable year as a
22 result of the deficiency procedures under
subchapter

23 B of chapter 63, no credit shall be allowed under
24 this section for any subsequent taxable year unless
25 the taxpayer provides such
information as the

1 retary may require to demonstrate eligibility for
2 such credit.”.

3 (2) CONFORMING AMENDMENTS.—

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

6 (B) Section 1324(b)(2) of title 31, United
7 States Code, is amended by inserting “25E,”
8 after “25A,”.

9 (C) The table of sections for subpart C of
10 part IV of subchapter A of chapter 1 is amended
by inserting after the item relating to section
12 36B the following new item:

“Sec. 36C. Foster care tax credit.”.

13 (b) INFORMATION RETURNS RELATING TO
FOSTER

14 CHILD PLACEMENT.—

15 (1) IN GENERAL.—Subpart A of part III of

16 subchapter A of chapter 61 is amended by inserting

17 after section 6039J the following new section:

18 “SEC. 6039K. INFORMATION REPORTING
WITH RESPECT TO

19 FOSTER CHILD PLACEMENT.

20 “(a) IN GENERAL.—Every authorized placement

21 agency and court which places a qualifying foster
child

22 with a person during a calendar year shall, at such
time

23 as the Secretary shall prescribe, make a return
described

24 in subsection (b).

1 “(b) FORM AND MANNER OF RETURN.—A
return is

2 described in this subsection if such return—

3 “(1) is in such form as the Secretary may pre4
scribe, and

5 “(2) contains, with respect to each qualifying

6 foster child placed during the calendar year—

7 “(A) the name, address, and TIN of each
8 individual with whom such qualifying foster
9 child was placed,

10 “(B) the name of the qualifying foster
11 child, and

12 “(C) the dates during which such place13 ment
occurred.

14 “(c) STATEMENTS TO BE FURNISHED TO
FOSTER

15 PARENTS.—

16 “(1) IN GENERAL.—Every person required to
17 make a return under subsection (a) shall furnish to
18 each individual whose name is required to be set
19 forth under subsection (b)(2)(A) a written
statement

20 showing—

21 “(A) the name and address of the person
22 required to make such return and the phone
23 number of the information contact for such per24
son, and

1 “(B) the information required to be shown
2 on the return with respect to such individual.

3 “(2) TIME FOR FURNISHING STATEMENTS.—

4 The written statement required under paragraph (1)
5 shall be furnished on or before January 31 of the
6 year following the calendar year for which the return
7 under subsection (a) was required to be made.

8 “(d) QUALIFYING FOSTER CHILD.—For
purposes of
9 this section, the term ‘qualifying foster child’ has the
10 meaning given such term under section
36C(c)(2).”.

11 (2) ASSESSABLE PENALTIES.—

12 (A) Section 6724(d)(1)(B) is amended by
13 striking “or” at the end of clause (xxv), by
14 striking “and” at the end of clause (xxvi) and
15 inserting “or”, and by inserting after clause
16 (xxvi) the following new clause:

17 “(xxvii) section 6039K (relating to in18 formation
returns with respect to foster
19 child placement),”.

20 (B) Section 6724(d)(2) is amended by re21
designating the second subparagraph (JJ) as
22 subparagraph (KK), by striking “or” at the end
23 of subparagraph (II), by striking the period at
24 the end of the first subparagraph (JJ), by

25 striking the period at the end of subparagraph

1 (KK) (as so redesignated) and inserting a

2 comma, and by inserting after such subpara3 graph
(KK) the following new subparagraph:

4 “(LL) section 6039K(c) (relating to state5 ments
with respect to foster child placement).”.

6 (3) CLERICAL AMENDMENT.—The table of sec7
tions of subpart A of part III of subchapter A of

8 chapter 61 is amended by inserting after the item

9 relating to section 6039J the following new item:

“Sec. 6039K. Information reporting with respect to
foster child placement.”.

10 (c) ELECTION NOT TO TAKE CHILD TAX
CREDIT.—

11 Section 24(h)(4) is amended by adding at the end
the following new subparagraph:

13 “(D) ELECTION NOT TO TAKE CREDIT.—

14 A taxpayer may elect not to have this para15 graph
apply with respect to any dependent of

16 the taxpayer to whom a credit would otherwise

17 be allowed by reason of subparagraph (A). In

18 any case in which a taxpayer makes an election

19 under this subparagraph, the credit allowed

20 under this section shall be treated as not al21 lowed
with respect to such dependent.”.

22 (d) APPLICATION OF TAX RETURN
PREPARER DUE

23 DILIGENCE PENALTY.—Section 6695(g) is
amended by

24 striking “or 32” and inserting “32, or 36C”.

1 (e) EFFECTIVE DATE.—The amendments made
by

2 this section shall apply to calendar months beginning
after

3 December 31, 2024, in taxable years beginning after
such

4 date.

5 (f) EDUCATION.—

6 (1) IN GENERAL.—The Secretary of Health and

7 Human Services (or the Secretary’s delegate), in co8
ordination with the Secretary of the Treasury or

9 such Secretary’s delegate, shall identify provisions
in

10 the Internal Revenue Code of 1986 that can be used

11 by or can benefit foster families, and shall increase

12 outreach efforts to provide information and edu13
cational materials regarding such provisions to
State

14 and Indian tribal foster care agencies and to foster

15 families.

16 (2) AUTHORIZATION OF
17 APPROPRIATIONS.—

18 There are authorized to be appropriated such sums
19 as necessary for the purposes of carrying out
20 paragraph (1).

21 SEC. 110109. STUDY AND REPORT ON
22 EMERGENCY AND

23 SHORT-TERM FOSTER PLACEMENTS.

24 (a) STUDY.—The Secretary of Health and Human
25 services, in coordination with the Secretary of the
Treasury (or the Secretary's delegate), shall
conduct a study

on—

1 (1) the costs and financial burdens on foster
2 families who experience multiple emergency and
3 short-term foster placements annually; and
4 (2) challenges to verifying and documenting the
5 placement of children in emergency and short-term
6 placement.

7 For purposes of this subsection, a short-term
placement

8 is a placement that lasts less than 1 week.

9 (b) REPORT.—Not later than 1 year after the date
10 of the enactment of this Act, the Secretary of
Health and

11 Human Services shall submit to Congress a report
on the

12 study conducted under subsection (a).