

116TH CONGRESS
1ST SESSION

H. R. 4954

To amend the Internal Revenue Act of 1986 to strengthen the earned income tax credit and expand eligibility for childless individuals, homeless youth, and qualified foster youth.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2019

Mr. DANNY K. DAVIS of Illinois introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Act of 1986 to strengthen the earned income tax credit and expand eligibility for childless individuals, homeless youth, and qualified foster youth.

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 “Foster Opportunity
5 EITC Act of 2019”.

1 **SEC. 2. STRENGTHENING THE EARNED INCOME TAX CRED-**
 2 **IT.**

3 (a) INCREASED CREDIT FOR INDIVIDUALS WITH NO
 4 QUALIFYING CHILDREN.—

5 (1) IN GENERAL.—The table in subparagraph
 6 (A) of section 32(b)(2) of the Internal Revenue Code
 7 of 1986 is amended—

8 (A) by striking “\$4,220” in the second col-
 9 umn of the third row and inserting “\$10,180”,
 10 and

11 (B) by striking “\$5,280” in the third col-
 12 umn of the third row and inserting “\$11,380”.

13 (2) INFLATION ADJUSTMENTS.—Subparagraph
 14 (B) of section 32(j)(1) of such Code is amended—

15 (A) in clause (i)—

16 (i) by inserting “(except as provided
 17 in clause (iii))” after “(b)(2)(A)”, and

18 (ii) by striking “and” at the end,

19 (B) by redesignating clause (ii) as clause
 20 (iii), and

21 (C) by inserting after clause (i) the fol-
 22 lowing new clause:

23 “(ii) in the case of the \$10,180 and
 24 \$11,380 amounts in the table in subsection
 25 (b)(2)(A), ‘calendar year 2017’ for ‘cal-
 26 endar year 1992’, and”.

1 (b) CREDIT INCREASE AND REDUCTION IN PHASE-
2 OUT FOR INDIVIDUALS WITH NO CHILDREN.—The table
3 contained in section 32(b)(1)(A) of such Code is amend-
4 ed—

5 (1) by striking “7.65” in the second column of
6 the fourth row and inserting “20”, and

7 (2) by striking “7.65” in the third column of
8 the fourth row and inserting “15.98”.

9 (c) ELIGIBILITY AGE LIMITS.—

10 (1) UPPER AGE LIMIT.—Subclause (II) of sec-
11 tion 32(c)(1)(A)(ii) of such Code is amended by
12 striking “age 65” and inserting “age 68”.

13 (2) LOWERING ELIGIBILITY AGE FOR CERTAIN
14 CHILDLESS INDIVIDUALS, HOMELESS YOUTH, AND
15 QUALIFIED FOSTER YOUTH.—

16 (A) IN GENERAL.—Subclause (II) of sec-
17 tion 32(c)(1)(A)(ii) of such Code is amended by
18 striking “age 25” and inserting “age 19 (or, in
19 the case of homeless youth and qualified foster
20 youth, age 18)”.

21 (B) HOMELESS YOUTH AND QUALIFIED
22 FOSTER YOUTH.—Paragraph (1) of section
23 32(c) of such Code is amended by adding at the
24 end the following new subparagraphs:

25 “(G) HOMELESS YOUTH.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A)(ii)(II), the term ‘home-
3 less youth’ means—

4 “(I) an unaccompanied youth
5 who has not attained age 24 and who
6 is a homeless child or youth (as de-
7 fined in section 725 of the McKinney-
8 Vento Homeless Assistance Act), or

9 “(II) an individual who is deter-
10 mined by a specified official to be un-
11 accompanied, at risk of homelessness,
12 and self-supporting.

13 “(ii) VERIFICATION FOR HOMELESS
14 YOUTH.—No credit shall be allowed under
15 this section by reason of clause (i) to any
16 individual unless such individual attests on
17 the return of tax for the taxable year that
18 the individual is a homeless youth and that
19 no other taxpayer is entitled to claim such
20 individual as a qualifying child for pur-
21 poses of this section or section 24 for the
22 taxable year. The Secretary, in consulta-
23 tion with the National Taxpayer Advocate
24 and national homeless youth advocates,
25 shall issue regulations—

1 “(I) determining the information
2 on relevant tax forms or documenta-
3 tion necessary to demonstrate home-
4 less youth status in the case of an
5 audit of the return, and

6 “(II) providing that a docu-
7 mented phone call with or a written
8 statement from a specified official
9 shall be treated as sufficient to verify
10 the status of an individual as a home-
11 less youth.

12 “(iii) SPECIFIED OFFICIAL.—For pur-
13 poses of this subparagraph, the term ‘spec-
14 ified official’ means—

15 “(I) a local educational agency
16 homeless liaison designated pursuant
17 to section 722(g)(1)(J)(ii) of the
18 McKinney-Vento Homeless Assistance
19 Act (or a designee of such liaison),

20 “(II) the director of an emer-
21 gency or transitional shelter street
22 outreach program, homeless youth
23 drop-in center, or other program serv-
24 ing homeless youth (or a designee of
25 such director),

1 “(III) the director of a Federal
2 TRIO program or a Gaining Early
3 Awareness and Readiness for Under-
4 graduate program under chapter 1 or
5 2 of subpart 2 of part A of title IV of
6 the Higher Education Act of 1965 (or
7 a designee of such director), or

8 “(IV) a financial aid adminis-
9 trator (within the meaning of the
10 Higher Education Act of 1965) (or a
11 designee of such administrator).

12 “(H) QUALIFIED FOSTER YOUTH.—

13 “(i) IN GENERAL.—For purposes of
14 subparagraph (A)(ii)(II), the term ‘quali-
15 fied foster youth’ means an individual who
16 was in foster care on or after the date that
17 such individual attained age 14, if such
18 care was under the supervision or adminis-
19 tration of a State or tribal agency admin-
20 istering (or eligible to administer) a plan
21 under part B or part E of the Social Secu-
22 rity Act (without regard to whether Fed-
23 eral assistance was provided with respect
24 to such child under such part E).

1 “(ii) VERIFICATION OF QUALIFIED
2 FOSTER YOUTH.—The Secretary in con-
3 sultation with the National Taxpayer Ad-
4 vocate and the Children’s Bureau, Admin-
5 istration for Children and Families, shall
6 issue regulations determining information
7 for relevant tax forms, providing criteria
8 for verifying an individual as a qualified
9 foster youth during any transition period
10 between the date of the enactment of this
11 subparagraph and the establishment of an
12 operational data reporting system de-
13 scribed in section 6050Z(a) if such indi-
14 vidual is not listed in the verification data-
15 base described in 6050Z(a), or in the case
16 of an audit of the return. The Secretary
17 shall consider the use for such purposes of
18 court or official State documentation,
19 verification from entities such as a child
20 welfare agency, case worker, Court Ap-
21 pointed Special Advocate, attorney, guard-
22 ian ad litem, Federal TRIO or a Gaining
23 Early Awareness and Readiness for Under-
24 graduate Program under chapter 1 of sub-
25 part 2 of part A of title IV of the Higher

1 Education Act of 1965 (20 U.S.C. 1070a–
2 11 et seq.) or other recognized State, coun-
3 ty, or tribal authority, and verification
4 through the John H. Chafee Foster Care
5 Program for Successful Transition to
6 Adulthood under section 477 of the Social
7 Security Act (42 U.S.C. 677). During any
8 transition period between the enactment of
9 this subparagraph and the establishment
10 of an operational data reporting system de-
11 scribed in section 6050Z(a), no credit shall
12 be allowed under this section by reason of
13 clause (i) to any individual unless such in-
14 dividual attests on the return of tax for the
15 taxable year that the individual is a quali-
16 fied foster youth and that no other tax-
17 payer is entitled to claim such individual
18 as a qualified child for purposes of this
19 section or section 24 for the taxable year.
20 In the situation that an adult can claim a
21 qualified foster youth for purposes of this
22 section or section 24, the Secretary shall
23 develop a form to indicate that the adult
24 will not claim the qualified foster youth for
25 the taxable year.”.

1 (C) RETURNS RELATING TO YOUTH IN
2 FOSTER CARE.—

3 (i) IN GENERAL.—Subpart B of part
4 III of subchapter A of chapter 61 of such
5 Code is amended by inserting after section
6 6050Y the following new section:

7 **“SEC. 6050Z. RETURNS RELATING TO YOUTH IN FOSTER**
8 **CARE.**

9 “(a) REQUIREMENT OF REPORTING.—

10 “(1) IN GENERAL.—Any State, local, or tribal
11 agency providing foster care under a plan approved
12 under part B or E of title IV of the Social Security
13 Act shall make a return, at such times as the Sec-
14 retary may prescribe, described in subsection (b)
15 with respect to any individual under the placement
16 and responsibility of such State, locality, or tribe on
17 or after the date that such individual attained age
18 14.

19 “(2) DEVELOPMENT OF DATA REPORTING SYS-
20 TEM.—The Secretary shall work with the Children’s
21 Bureau, Administration for Children and Families,
22 to develop a data reporting system which satisfies
23 the return requirements of paragraph (1).

24 “(3) SINGLE RETURN.—Except as provided by
25 the Secretary, a State, local, or tribal agency de-

1 scribed in paragraph (1) which has made a return
2 for an individual described in such paragraph shall
3 not be required to make a return for such individual
4 for any subsequent calendar year.

5 “(b) FORM AND MANNER OF RETURNS.—A return
6 is described in this subsection if such return—

7 “(1) is in such form as the Secretary may pre-
8 scribe, and

9 “(2) contains, with respect to each individual
10 described in subsection (a)(1)—

11 “(A) the name, date of birth, and TIN of
12 such individual, and

13 “(B) such other information as the Sec-
14 retary may prescribe in consultation with the
15 Children’s Bureau, Administration for Children
16 and Families.

17 “(c) STATEMENT TO BE FURNISHED TO INDIVID-
18 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
19 QUIRED.—

20 “(1) IN GENERAL.—Every person required to
21 make a return under subsection (a) shall furnish to
22 each person whose name is required to be set forth
23 in such return a written statement showing—

24 “(A) the name and address of the person
25 required to make such return and the phone

1 number of the information contact for such per-
2 son, and

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

5 “(2) DATE.—The written statement required
6 under paragraph (1) shall be furnished on or before
7 January 31 of the year following the calendar year
8 for which the return under subsection (a) is required
9 to be made.”.

10 (ii) ASSESSABLE PENALTIES.—Sub-
11 paragraph (B) of section 6724(d)(1) of
12 such Code is amended—

13 (I) by striking “or” at the end of
14 clause (xxv),

15 (II) by striking “and” at the end
16 of clause (xxvi) and inserting “or”,
17 and

18 (III) by inserting after clause
19 (xxvi) the following new clause:

20 “(xxvii) section 6050Z (relating to re-
21 turns relating to youth in foster care),”.

22 (iii) CONFORMING AMENDMENT.—The
23 table of sections for subpart B of part III
24 of subchapter A of chapter 61 of such

1 Code is amended by adding at the end the
 2 following new item:

“Sec. 6050Z. Returns relating to youth in foster care.”.

3 (d) ELIGIBILITY FOR WORKING HOMELESS AND
 4 FORMER FOSTER YOUTH WHO ARE FULL-TIME STU-
 5 DENTS.—Subparagraph (B) of section 32(c)(1) of such
 6 Code is amended by adding at the end the following: “The
 7 preceding sentence shall not apply to—

8 “(1) a homeless youth (as defined in subpara-
 9 graph (G)), or

10 “(2) a qualified foster youth (as defined in sub-
 11 paragraph (H)),

12 who is a student (as defined in section 152(f)(2)) for the
 13 taxable year.”.

14 (e) INFORMATION RETURN MATCHING.—Not later
 15 than 1 year after the date of the enactment of this Act,
 16 the Secretary of the Treasury (or the Secretary’s delegate)
 17 shall develop and implement procedures for checking an
 18 individual’s claim for the credit under section 32 of the
 19 Internal Revenue Code of 1986 against claims by other
 20 taxpayers for tax credits relating to higher education with
 21 respect to dependent college students.

22 (f) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2018.

