

112TH CONGRESS
1ST SESSION

H. R. 878

To amend the Internal Revenue Code of 1986 to provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a disabled individual.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2011

Mr. DEUTCH introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit to individuals for legal expenses paid with respect to establishing guardianship of a disabled individual.

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. CREDIT FOR LEGAL EXPENSES PAID WITH RE-**
4 **SPECT TO ESTABLISHING GUARDIANSHIP OF**
5 **A DISABLED INDIVIDUAL.**

6 (a) IN GENERAL.—Subpart C of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to refundable credits) is amended by insert-
2 ing after section 36C the following new section:

3 **“SEC. 36D. CREDIT FOR LEGAL EXPENSES PAID WITH RE-**
4 **SPECT TO ESTABLISHING GUARDIANSHIP OF**
5 **A DISABLED INDIVIDUAL.**

6 “(a) IN GENERAL.—In the case of an individual,
7 there shall be allowed as a credit against the tax imposed
8 by this subtitle an amount equal to the qualified legal
9 guardianship expenses paid or incurred by the taxpayer
10 during the taxable year.

11 “(b) DOLLAR LIMITATION.—The credit allowed
12 under subsection (a) to any taxpayer with respect to any
13 disabled individual for any taxable year shall not exceed
14 the excess of—

15 “(1) \$5,000, over

16 “(2) the aggregate amount allowed as credit
17 under subsection (a) to such taxpayer with respect
18 to such disabled individual for all prior taxable
19 years.

20 “(c) PHASEOUT BASED ON ADJUSTED GROSS IN-
21 COME.—The dollar limitation applicable under subsection
22 (b) shall be reduced by the amount which bears the same
23 ratio to such dollar limitation (determined without regard
24 to this subsection) as—

25 “(1) the excess of—

1 “(A) the taxpayer’s adjusted gross income,
2 over

3 “(B) \$75,000 (twice such amount in the
4 case of a joint return), bears to

5 “(2) \$15,000 (twice such amount in the case of
6 a joint return).

7 “(d) QUALIFIED LEGAL GUARDIANSHIP EX-
8 PENSES.—For purposes of this section, the term ‘qualified
9 legal guardianship expenses’ means amounts paid or in-
10 curred by an individual as legal expenses in establishing
11 such individual as the legal guardian of a disabled indi-
12 vidual.

13 “(e) DISABLED INDIVIDUAL.—For purposes of this
14 section, the term ‘disabled individual’ means any indi-
15 vidual who is disabled (within the meaning of section
16 1614(a)(3) of the Social Security Act).”.

17 (b) CONFORMING AMENDMENTS.—

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

20 (2) Section 1324(b)(2) of title 31, United
21 States Code, is amended by inserting “36D,” after
22 “36C,”.

23 (3) The table of sections for subpart C of part
24 IV of subchapter A of chapter 1 of the Internal Rev-

1 enue Code of 1986 is amended by inserting after the
2 item relating to section 36C the following new item:

 “Sec. 36D. Credit for legal expenses paid with respect to establishing guardian-
 ship of a disabled individual.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

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