

116TH CONGRESS
2D SESSION

S. 4639

To amend the Internal Revenue Code of 1986 to provide a refundable tax credit for expenses relating to school disruption, to provide a monthly payment to families during COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22, 2020

Mr. HAWLEY 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 provide a refundable tax credit for expenses relating to school disruption, to provide a monthly payment to families during COVID–19, and for other purposes.

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 “Helping Parents Dur-

5 ing COVID Act of 2020”.

6 **SEC. 2. CREDIT FOR COSTS OF EDUCATION.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-

8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36 the fol-
 2 lowing new section:

3 **“SEC. 36A. CREDIT FOR COSTS OF EDUCATION.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
 5 dividual with respect to whom there is 1 or more eligible
 6 children for any taxable year, there shall be allowed as
 7 a credit against the tax imposed by this subtitle for such
 8 taxable year an amount equal to—

9 “(1) \$800, multiplied by

10 “(2) the number of eligible children with re-
 11 spect to the individual.

12 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
 13 COME.—The amount of the credit allowed by subsection
 14 (a) (determined without regard to this subsection) shall
 15 be reduced (but not below zero) by 5 percent of so much
 16 of the taxpayer’s adjusted gross income as exceeds—

17 “(1) \$150,000 in the case of a joint return,

18 “(2) \$112,500 in the case of a head of house-
 19 hold, and

20 “(3) \$75,000 in the case of a taxpayer not de-
 21 scribed in paragraph (1) or (2).

22 “(c) ELIGIBLE CHILD.—The term ‘eligible child’ with
 23 respect to an individual for a taxable year means a quali-
 24 fying child (as defined in section 152(c)) of the individual
 25 who is an elementary or secondary student (including kin-

1 dergarten), if the school district in which such child re-
 2 sides was closed, in part or in full, or utilizing virtual,
 3 distance, or other alternative education models or a hybrid
 4 of such models and in-person attendance, during any part
 5 of the taxable year due to COVID-19.

6 “(d) TERMINATION.—This section shall not apply to
 7 taxable years beginning after December 31, 2021.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
 9 for subpart C of part IV of subchapter A of chapter 1
 10 of the Internal Revenue Code of 1986 is amended by in-
 11 serting after the item relating to section 36 the following
 12 new item:

“Sec. 36A. Credit for costs of education.”.

13 (c) CONFORMING AMENDMENT.—Section
 14 6211(b)(4)(A) of the Internal Revenue Code of 1986 is
 15 amended by inserting “, 36A” after “36”.

16 (d) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2019.

19 **SEC. 3. FAMILY EDUCATION ASSISTANCE.**

20 (a) ESTABLISHMENT OF FAMILY EDUCATION AS-
 21 SISTANCE CREDIT.—Subpart C of part IV of subchapter
 22 A of chapter 1 of subtitle A of the Internal Revenue Code
 23 of 1986, as amended by section 2, is further amended by
 24 inserting after section 36B the following new section:

1 **“SEC. 36C. FAMILY EDUCATION ASSISTANCE.**

2 “(a) IN GENERAL.—As soon as practicable and not
3 later than two weeks after the date of the enactment of
4 this section, the Secretary shall establish a program for
5 making family education assistance credit payments, in-
6 cluding electronic payments, on a monthly basis, without
7 respect to tax liability, for each citizen residing with a de-
8 pendent qualifying child equal to \$1,200 for each eligible
9 month.

10 “(b) LIMITATIONS.—

11 “(1) LIMITATION BASED ON ADJUSTED GROSS
12 INCOME.—The amount of the credit allowed by sub-
13 section (a) (determined without regard to this sub-
14 section) shall be reduced (but not below zero) by 5
15 percent of so much of the taxpayer’s adjusted gross
16 income as exceeds—

17 “(A) \$150,000 in the case of a joint re-
18 turn,

19 “(B) \$112,500 in the case of a head of
20 household, and

21 “(C) \$75,000 in the case of a taxpayer not
22 described in subparagraph (A) or (B).

23 “(2) HOUSEHOLD LIMIT.—Family education as-
24 sistance credit payments may only be claimed by one
25 member of a household, and only one credit may be
26 claimed per residence.

1 “(c) QUALIFYING CHILD.—

2 “(1) IN GENERAL.—In this section, the term
3 ‘qualifying child’ means a qualifying child of the filer
4 (as defined in section 152(e)) who has not attained
5 18 years of age.

6 “(2) EXCEPTION FOR CERTAIN NON-CITI-
7 ZENS.—The term ‘qualifying child’ shall not include
8 any individual who would not be a dependent if sub-
9 paragraph (A) of section 152(b)(3) were applied
10 without regard to all that follows ‘resident of the
11 United States’.

12 “(d) ELIGIBLE MONTH.—For purposes of this sec-
13 tion—

14 “(1) IN GENERAL.—The term ‘eligible month’
15 means, with respect to a qualifying child, any month
16 during which—

17 “(A) such child is an elementary or sec-
18 ondary student (including kindergarten), and

19 “(B) either—

20 “(i) the school district in which such
21 child resides is closed, in part or in full, or
22 utilizing virtual, distance, or other alter-
23 native education models or a hybrid of
24 such models and in-person attendance,

1 during any part of the month due to
2 COVID-19, or

3 “(ii) the parent or guardian of such
4 child elects not to send the child to school
5 due to COVID-19.

6 “(2) APPLICATION AND TERMINATION.—The
7 term ‘eligible month’ shall include only months be-
8 ginning after July 31, 2020, and before July 1,
9 2021. In the case of eligible months occurring before
10 the establishment of the program described in sub-
11 section (a), the credit amount attributable to such
12 months shall be paid to the recipient in combination
13 with the credit amount for the first eligible month
14 during which such program is operational.

15 “(e) APPLICATION AND VERIFICATION.—

16 “(1) APPLICATION.—The Secretary shall estab-
17 lish an expedited process by which citizens may
18 apply for and provide all necessary information to
19 obtain access to installments of the family education
20 assistance credit outside the annual tax return pro-
21 cess utilizing—

22 “(A) information from the beneficiary’s
23 most recent tax return if the beneficiary has
24 filed previously and such return is for 2018 or
25 2019, and

1 “(B) any additional or alternative informa-
2 tion submissions deemed necessary by the Sec-
3 retary to facilitate application, verification of
4 eligibility for, and prompt delivery of the family
5 education assistance credit.

6 “(2) VERIFICATION.—No credit shall be allowed
7 under this section to a taxpayer on the basis of a
8 qualifying child unless the taxpayer has provided the
9 name and taxpayer identification number of such
10 qualifying child in a manner deemed appropriate for
11 the application process by the Secretary.

12 “(3) TREATMENT OF FAMILY EDUCATION AS-
13 SISTANCE CREDITS FOR INCOME TAX PURPOSES.—

14 “(A) NONTAXATION OF CREDIT.—Notwith-
15 standing any other provision of law, no amount
16 received as a family education assistance credit
17 shall be treated as income for the purpose of
18 calculating Federal, State, or local tax liability.

19 “(B) EFFECT ON TAX LIABILITY.—The tax
20 liability of a recipient of the family education
21 assistance credit for a taxable year in which
22 payments of such credit are received shall be
23 determined without respect to such credit.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 1324(b)(2) of title 31, United
2 States Code, is amended by inserting “, 36C” after
3 “36B”.

4 (2) The table of sections for subpart C of part
5 IV of subchapter A of chapter 1 of the Internal Rev-
6 enue Code of 1986 is amended by inserting before
7 the item relating to section 37 the following new
8 item:

“Sec. 36C. Family education assistance.”.

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