

116TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie tax.

IN THE SENATE OF THE UNITED STATES

Mr. TOOMEY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to treat certain military survivor benefits as earned income for purposes of the kiddie tax.

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 “Gold Star Family Tax
5 Relief Act”.

6 **SEC. 2. CERTAIN MILITARY SURVIVOR BENEFITS TREATED**
7 **AS EARNED INCOME FOR KIDDIE TAX.**

8 (a) IN GENERAL.—Section 1(g)(4) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following new subparagraph:

1 “(D) TREATMENT OF CERTAIN MILITARY
2 SURVIVOR BENEFITS.—For purposes of this
3 subsection, any benefit under laws administered
4 by the Secretary of Defense or the Secretary of
5 Veterans Affairs which—

6 “(i) is received by a child by reason of
7 the child being the survivor of a deceased
8 member of the Armed Forces or of a de-
9 ceased veteran, and

10 “(ii) is included in the gross income of
11 such child,
12 shall be considered earned income of such
13 child.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2017.