

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.

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IN THE SENATE OF THE UNITED STATES

Mr. CASSIDY (for himself, Mr. JONES, Mr. TOOMEY, and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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”.

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

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

6 “(D) TREATMENT OF CERTAIN MILITARY  
7 SURVIVOR BENEFITS.—For purposes of this  
8 subsection, any benefit under laws administered  
9 by the Secretary of Defense or the Secretary of  
10 Veterans Affairs which—

11 “(i) is received by a child by reason of  
12 the child being the survivor of a deceased  
13 member of the Armed Forces or of a de-  
14 ceased veteran, and

15 “(ii) is included in the gross income of  
16 such child,  
17 shall be considered earned income of such  
18 child.”.

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