

116TH CONGRESS
2D SESSION

H. R. 6912

To amend the Internal Revenue Code of 1986 to provide for youth sports,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2020

Mr. ROSE of New York (for himself and Mr. GOTTHEIMER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide
for youth sports, 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 “COVID–19 Youth
5 Sports and Working Families Relief Act”.

1 **SEC. 2. MODIFICATION OF CHILD AND DEPENDENT CARE**

2 **TAX CREDIT.**

3 (a) ALLOWANCE OF EXPENSES FOR YOUTH PHYS-
4 ICAL ACTIVITIES.—Section 21(b)(2)(A) of the Internal
5 Revenue Code of 1986 is amended by striking “and” at
6 the end of clause (i), by striking the period at the end
7 of clause (ii) and inserting “, and”, and by inserting after
8 clause (ii) the following:

9 “(iii) expenses for youth physical ac-
10 tivities (within the meaning of section
11 223(d)(5)).”.

12 (b) EXCEPTION TO CAMP RULE.—Section
13 21(b)(2)(A) of such Code (as amended by subsection (a))
14 is amended by striking “Such term” and inserting “Ex-
15 cept as provided by clause (iii), such term”.

16 (c) DOLLAR LIMITATIONS.—Section 221(c) of such
17 Code is amended to read as follows:

18 “(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—The
19 amount of the employment-related expenses incurred dur-
20 ing any taxable year which may be taken into account
21 under subsection (a) shall not exceed—

22 “(1) if there is 1 qualifying individual with re-
23 spect to the taxpayer for such taxable year, the sum
24 of—

1 “(A) \$3,000 of so much of employment-re-
 2 lated expenses as are described in clauses (i)
 3 and (ii) of subsection (b)(2)(A), and

4 “(B) \$6,000 of so much of employment-re-
 5 lated expenses as are described in clause (iii) of
 6 subsection (b)(2)(A), or

7 “(2) if there are 2 or more qualifying individ-
 8 uals with respect to the taxpayer for such taxable
 9 year, the sum of—

10 “(A) \$6,000 of so much of employment-re-
 11 lated expenses as are described in clauses (i)
 12 and (ii) of subsection (b)(2)(A), and

13 “(B) \$12,000 of so much of employment-
 14 related expenses as are described in clause (iii)
 15 of subsection (b)(2)(A).

16 The amounts determined under subparagraphs (A) and
 17 (B) of paragraph (1) or (2) (whichever is applicable) shall
 18 each be reduced by the aggregate amount for the same
 19 categories of expenses excludable from gross income under
 20 section 129 for the taxable year.”.

21 (d) REFUNDABLE.—Section 21(e) of such Code is
 22 amended by adding at the end the following:

23 “(11) CREDIT REFUNDABLE FOR 2020.—In the
 24 case of a taxable year beginning in calendar year
 25 2020, the credit allowed under subsection (a) (deter-

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

7 **SEC. 3. INCREASE IN DOLLAR AMOUNT OF ELECTION FOR**
8 **DEPENDENT CARE FLEXIBLE SPENDING AR-**
9 **RANGEMENTS.**

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 is amended by redesignating subsections (k) and (l) as subsections (l) and (m) and inserting after subsection (j) the following:

14 “(k) LIMITATION ON DEPENDENT CARE FLEXIBLE
15 SPENDING ARRANGEMENTS.—

“(1) IN GENERAL.—For purposes of this section, if a benefit is provided under a cafeteria plan through employer contributions to a dependent care flexible spending arrangement, such benefit shall not be treated as a qualified benefit unless the cafeteria plan provides that an employee may not elect for any taxable year to have salary reduction contributions in excess of \$10,000 made to such arrangement for each dependent under such arrangement.

1 “(2) SINGLE PARENT.—In the case that the
 2 employee is an individual who is not married as of
 3 the beginning of the taxable year for which the em-
 4 ployee elects to participate in the arrangement,
 5 paragraph (1) shall be applied by substituting
 6 ‘\$12,000’ for ‘\$10,000’.”.

7 (b) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to taxable years beginning after
 9 December 31, 2019.

10 **SEC. 4. YOUTH PHYSICAL ACTIVITIES.**

11 (a) HEALTH SAVINGS ACCOUNTS.—Section 223(d) of
 12 the Internal Revenue Code of 1986 is amended by adding
 13 at the end the following:

14 “(5) YOUTH PHYSICAL ACTIVITIES.—For pur-
 15 poses of this section, the term ‘medical expenses’ in-
 16 cludes registration costs, fees, and expenses associ-
 17 ated with—

18 “(A) organized individual and team sports,

19 “(B) fitness and exercise,

20 “(C) recreation, and

21 “(D) other physical activities for youth
 22 who have attained age 4 but not age 18.”.

23 (b) FLEXIBLE SPENDING ARRANGEMENTS.—Section
 24 106 of such Code is amended by adding at the end the
 25 following:

1 “(h) REIMBURSEMENTS FOR YOUTH PHYSICAL AC-
 2 TIVITIES.—For purposes of this section and section 105,
 3 expenses incurred for youth physical activities (within the
 4 meaning of section 223(d)(5)) shall be treated as incurred
 5 for medical care.”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years beginning after
 8 December 31, 2019.

9 **SEC. 5. YOUTH SPORT PROVIDERS.**

10 (a) ESTABLISHMENT OF RELIEF FUND.—The Sec-
 11 retary of the Treasury shall create a relief fund in the
 12 Treasury for youth sport providers.

13 (b) FUNDING OF RELIEF FUND.—Out of amounts in
 14 the Treasury not otherwise appropriated, there is appro-
 15 priated to the relief fund established under subsection (a)
 16 such sums as may be necessary to carry out this section.

17 (c) DISTRIBUTION OF FUNDS.—

18 (1) IN GENERAL.—The Secretary shall disburse
 19 amounts from the relief fund established under sub-
 20 section (a) in such a manner as—

21 (A) to alleviate losses sustained as a result
 22 to COVID-19,

23 (B) to be targeted to sustain existing orga-
 24 nizations that may, without such assistance, fail
 25 or have to severally curtail operations, and

1 (C) aim to maintain youth participation
2 capacity.

3 (2) PRIORITY.—In making disbursements from
4 the relief fund established under subsection (a), the
5 Secretary shall give priority consideration to pro-
6 grams serving under-served communities.

7 (3) DISTRIBUTION RATE.—The Secretary shall
8 disburse amounts not less than the following per-
9 centages of the total amount in the fund established
10 under subsection (a) within the number of days des-
11 ignated in the following subparagraphs after the
12 date of the enactment of this Act:

13 (A) 25 percent of such amount shall be
14 disbursed within 14 days.

15 (B) 50 percent of such amount shall be
16 disbursed within 30 days.

17 (C) 90 percent of such amount shall be
18 disbursed within 60 days.

19 (d) YOUTH SPORT PROVIDERS.—The term “youth
20 sport provider” means any organization that directly
21 serves youths aged 18 and under. Such term includes—

22 (1) sports-based youth development organiza-
23 tions,

24 (2) interscholastic sports programs,

- 1 (3) youth sports providers such as coaches,
- 2 trainers, and instructors, and
- 3 (4) youth sport event providers.

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