

117TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to adjust certain credits  
and deductions for inflation.

\_\_\_\_\_  
IN THE SENATE OF THE UNITED STATES

\_\_\_\_\_  
Mr. GRASSLEY 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 adjust  
certain credits and deductions for inflation.

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 “Family and Commu-  
5       nity Inflation Relief Act of 2022”.

6       **SEC. 2. CHILD TAX CREDIT.**

7       (a) IN GENERAL.—Subsection (f) of section 24 of the  
8       Internal Revenue Code of 1986 is amended—

1 (1) by striking “TAXABLE YEAR MUST BE  
2 FULL TAXABLE YEAR.—Except” and inserting  
3 “SPECIAL RULES.—

4 “(1) TAXABLE YEAR MUST BE FULL TAXABLE  
5 YEAR.—Except”, and

6 (2) by adding at the end the following new  
7 paragraph:

8 “(2) ADJUSTMENT FOR INFLATION.—

9 “(A) IN GENERAL.—In the case of a tax-  
10 able year beginning after 2021, the \$1,000  
11 amount in subsection (a) and each of the dollar  
12 amounts in subsection (b)(2) shall be increased  
13 by an amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-  
16 termined under section 1(f)(3) for the cal-  
17 endar year in which the taxable year be-  
18 gins, determined by substituting ‘2020’ for  
19 ‘2016’ in subparagraph (A)(ii) thereof.

20 “(B) ROUNDING.—If any increase under  
21 subparagraph (A)—

22 “(i) is not a multiple of \$100, in the  
23 case of the amount in subsection (a), such  
24 increase shall be rounded to the next low-  
25 est multiple of \$100, or

1 “(ii) is not a multiple of \$1,000, in  
2 the case of the amounts in subsection  
3 (b)(2), such increase shall be rounded to  
4 the next lowest multiple of \$1,000.’’.

5 (b) SPECIAL RULES FOR TAXABLE YEARS THROUGH  
6 2025.—

7 (1) IN GENERAL.—Subsection (h) of section 24  
8 of such Code is amended by adding at the end the  
9 following new paragraph:

10 “(8) ADJUSTMENT FOR INFLATION.—

11 “(A) IN GENERAL.—In the case of a tax-  
12 able year beginning after 2021, the \$2,000  
13 amount in paragraph (2) and each of the dollar  
14 amounts in paragraph (3) shall be increased by  
15 an amount equal to—

16 “(i) such dollar amount, multiplied by

17 “(ii) the cost-of-living adjustment de-  
18 termined under section 1(f)(3) for the cal-  
19 endar year in which the taxable year be-  
20 gins, determined by substituting ‘2020’ for  
21 ‘2016’ in subparagraph (A)(ii) thereof.

22 “(B) ROUNDING.—If any increase under  
23 subparagraph (A)—

24 “(i) is not a multiple of \$100, in the  
25 case of the amount in paragraph (2), such

1 increase shall be rounded to the next low-  
2 est multiple of \$100, or

3 “(ii) is not a multiple of \$1,000, in  
4 the case of the amounts in paragraph (3),  
5 such increase shall be rounded to the next  
6 lowest multiple of \$1,000.”.

7 (2) PARTIAL CREDIT FOR CERTAIN OTHER DE-  
8 PENDENTS.—Paragraph (4) of section 24(h) of such  
9 Code is amended by adding at the end the following  
10 new subparagraph:

11 “(D) ADJUSTMENT FOR INFLATION.—In  
12 the case of a taxable year beginning after 2021,  
13 the \$500 amount in subparagraph (A) shall be  
14 increased by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-  
17 termined under section 1(f)(3) for the cal-  
18 endar year in which the taxable year be-  
19 gins, determined by substituting ‘2020’ for  
20 ‘2016’ in subparagraph (A)(ii) thereof.

21 If any increase under this paragraph is not a  
22 multiple of \$50, such increase shall be rounded  
23 to the next lowest multiple of \$50.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2021.

4 **SEC. 3. CREDIT FOR HOUSEHOLD AND DEPENDENT CARE**  
5 **SERVICES.**

6 (a) IN GENERAL.—Subsection (e) of section 21 of the  
7 Internal Revenue Code of 1986 is amended by adding at  
8 the end the following new paragraph:

9 “(11) ADJUSTMENTS FOR INFLATION.—

10 “(A) IN GENERAL.—In the case of a tax-  
11 able year beginning after 2021, the \$15,000  
12 amount in subsection (a)(2) and the \$3,000  
13 and \$6,000 amounts in subsection (c) shall  
14 each be increased by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-  
17 termined under section 1(f)(3) for the cal-  
18 endar year in which the taxable year be-  
19 gins, determined by substituting ‘2020’ for  
20 ‘2016’ in subparagraph (A)(ii) thereof.

21 “(B) ROUNDING.—If any increase under  
22 subparagraph (A)—

23 “(i) is not a multiple of \$100, in the  
24 case of the amounts in subsection (c), such

1 increase shall be rounded to the next low-  
2 est multiple of \$100, or

3 “(ii) is not a multiple of \$1,000, in  
4 the case of the amount in subsection  
5 (a)(2), such increase shall be rounded to  
6 the next lowest multiple of \$1,000.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2021.

10 **SEC. 4. AMERICAN OPPORTUNITY AND LIFETIME LEARN-**  
11 **ING CREDITS.**

12 (a) AMERICAN OPPORTUNITY TAX CREDIT.—Sub-  
13 section (b) of section 25A of the Internal Revenue Code  
14 of 1986 is amended by adding at the end the following  
15 new paragraph:

16 “(5) ADJUSTMENT FOR INFLATION.—In the  
17 case of a taxable year beginning after 2021, the  
18 \$2,000 and \$4,000 amounts in paragraph (1) shall  
19 each be increased by an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-  
22 mined under section 1(f)(3) for the calendar  
23 year in which the taxable year begins, deter-  
24 mined by substituting ‘2020’ for ‘2016’ in sub-  
25 paragraph (A)(ii) thereof.

1 If any increase under this paragraph is not a mul-  
2 tiple of \$100, such increase shall be rounded to the  
3 next lowest multiple of \$100.”.

4 (b) LIFETIME LEARNING CREDIT.—Subsection (c) of  
5 section 25A of the Internal Revenue Code of 1986 is  
6 amended by adding at the end the following new para-  
7 graph:

8 “(3) ADJUSTMENT FOR INFLATION.—In the  
9 case of a taxable year beginning after 2021, the  
10 \$10,000 amount in paragraph (1) shall be increased  
11 by an amount equal to—

12 “(A) such dollar amount, multiplied by

13 “(B) the cost-of-living adjustment deter-  
14 mined under section 1(f)(3) for the calendar  
15 year in which the taxable year begins, deter-  
16 mined by substituting ‘2020’ for ‘2016’ in sub-  
17 paragraph (A)(ii) thereof.

18 If any increase under this paragraph is not a mul-  
19 tiple of \$100, such increase shall be rounded to the  
20 next lowest multiple of \$100.”.

21 (c) LIMITATIONS BASED ON MODIFIED ADJUSTED  
22 GROSS INCOME.—Subsection (d) of section 25A of the In-  
23 ternal Revenue Code of 1986 is amended by adding at the  
24 end the following new paragraph:

1           “(3) ADJUSTMENT FOR INFLATION.—In the  
2           case of a taxable year beginning after 2021, each of  
3           the dollar amounts in paragraph (1) shall be in-  
4           creased by an amount equal to—

5                   “(A) such dollar amount, multiplied by

6                   “(B) the cost-of-living adjustment deter-  
7                   mined under section 1(f)(3) for the calendar  
8                   year in which the taxable year begins, deter-  
9                   mined by substituting ‘2020’ for ‘2016’ in sub-  
10                  paragraph (A)(ii) thereof.

11          If any increase under this paragraph is not a mul-  
12          tiple of \$1,000, such increase shall be rounded to  
13          the next lowest multiple of \$1,000.”.

14          (d) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to taxable years beginning after  
16          December 31, 2021.

17   **SEC. 5. DEDUCTION FOR INTEREST ON EDUCATION LOANS.**

18          (a) IN GENERAL.—Subsection (f) of section 221 of  
19          the Internal Revenue Code of 1986 is amended to read  
20          as follows:

21               “(f) ADJUSTMENTS FOR INFLATION.—

22               “(1) IN GENERAL.—In the case of a taxable  
23               year beginning after 2002, each of the dollar  
24               amounts in subsection (b) shall be increased by an  
25               amount equal to—



1 “(A) in the case of the \$2,500 amount in  
2 subsection (b)(1) and the \$15,000 and \$30,000  
3 amounts in subsection (b)(2)(B)(ii)—

4 “(i) such dollar amount, multiplied by

5 “(ii) the cost-of-living adjustment de-  
6 termined under section 1(f)(3) for the cal-  
7 endar year in which the taxable year be-  
8 gins, determined by substituting ‘2020’ for  
9 ‘2016’ in subparagraph (A)(ii) thereof, and

10 “(B) in the case of the \$50,000 and  
11 \$100,000 amounts in subsection  
12 (b)(2)(B)(i)(II)—

13 “(i) such dollar amount, multiplied by

14 “(ii) the cost-of-living adjustment de-  
15 termined under section 1(f)(3) for the cal-  
16 endar year in which the taxable year be-  
17 gins, determined by substituting ‘2001’ for  
18 ‘2016’ in subparagraph (A)(ii) thereof.

19 “(2) ROUNDING.—If any increase under para-  
20 graph (1)—

21 “(A) is not a multiple of \$100, in the case  
22 of the amount in subsection (b)(1), such in-  
23 crease shall be rounded to the next lowest mul-  
24 tiple of \$100, or

1           “(B) is not a multiple of \$1,000, in the  
2           case of the amounts in subsection (b)(2)(B)(ii)  
3           and (b)(2)(B)(i)(II), such increase shall be  
4           rounded to the next lowest multiple of \$1,000.”.

5           (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2021.

8   **SEC. 6. DETERMINATION OF STANDARD MILEAGE RATE**  
9                   **FOR CHARITABLE CONTRIBUTIONS DEDUC-**  
10                  **TION.**

11          (a) IN GENERAL.—Subsection (i) of section 170 of  
12 the Internal Revenue Code of 1986 is amended to read  
13 as follows:

14          “(i) STANDARD MILEAGE RATE FOR USE OF PAS-  
15 Senger AUTOMOBILE.—For purposes of computing the  
16 deduction under this section for use of a passenger auto-  
17 mobile, the standard mileage rate shall be the rate deter-  
18 mined by the Secretary, which rate shall not be less than  
19 the standard mileage rate used for purposes of section  
20 213.”.

21          (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to miles traveled after the date  
23 of the enactment of this Act.

1 **SEC. 7. EXTENSION OF LIMITATION ON DEDUCTION OF**  
2 **STATE AND LOCAL TAXES.**

3 Paragraph (6) of section 164(b) of the Internal Rev-  
4 enue Code of 1986 is amended—

5 (1) by striking “2025” in the heading and in-  
6 serting “2026”, and

7 (2) by striking “January 1, 2026” and insert-  
8 ing “January 1, 2027”.