

114TH CONGRESS
1ST SESSION

H. R. 1780

To amend the Internal Revenue Code of 1986 to enhance the dependent care tax credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2015

Ms. SEWELL of Alabama (for herself and Mr. KIND) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to enhance the dependent care tax credit, 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 Working Fam-
5 ilies Afford Child Care Act”.

6 **SEC. 2. ENHANCEMENT OF THE DEPENDENT CARE TAX**

7 **CREDIT.**

8 (a) INCREASE IN DEPENDENT CARE TAX CREDIT.—

9 (1) INCREASE IN INCOMES ELIGIBLE FOR FULL
10 CREDIT.—Paragraph (2) of section 21(a) of the In-

1 ternal Revenue Code of 1986 is amended to read as
2 follows:

3 “(2) APPLICABLE PERCENTAGE DEFINED.—For
4 purposes of paragraph (1), the term ‘applicable per-
5 centage’ means 35 percent reduced (but not below
6 zero) by 1 percentage point for each \$5,000 (or frac-
7 tion thereof) by which the taxpayer’s adjusted gross
8 income for the taxable year exceeds \$110,000.”.

9 (2) INCREASE IN DOLLAR LIMIT ON AMOUNT
10 CREDITABLE.—Subsection (c) of section 21 of the
11 Internal Revenue Code of 1986 is amended—

12 (A) by striking “\$3,000” in paragraph (1)
13 and inserting “\$8,000”, and

14 (B) by striking “\$6,000” in paragraph (2)
15 and inserting “\$16,000”.

16 (3) INFLATION ADJUSTMENT.—Section 21 of
17 the Internal Revenue Code of 1986 is amended—

18 (A) by redesignating subsection (f) as sub-
19 section (g), and

20 (B) by inserting after subsection (e) the
21 following new subsection:

22 “(f) INFLATION ADJUSTMENT.—

23 “(1) IN GENERAL.—In the case of any taxable
24 year beginning after 2016, the \$110,000 amount in
25 subsection (a)(2) and each of the dollar amounts in

1 subsection (c) shall each be increased by an amount
2 equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, by sub-
7 stituting ‘2015’ for ‘1992’ in subparagraph (B)
8 thereof.

9 “(2) ROUNDING.—The amount of any increase
10 under paragraph (1) shall be rounded—

11 “(A) for purposes of the dollar amount in
12 subsection (a)(2), the nearest multiple of
13 \$1,000, and

14 “(B) for purposes of the dollar amounts in
15 subsection (c), the nearest multiple of \$100.”.

16 (b) DEPENDENT CARE TAX CREDIT TO BE REFUND-
17 ABLE.—

18 (1) IN GENERAL.—The Internal Revenue Code
19 of 1986 is amended—

20 (A) by redesignating section 21, as amend-
21 ed by subsection (a), as section 36C, and

22 (B) by moving section 36C, as so redesign-
23 nated, from subpart A of part IV of subchapter
24 A of chapter 1 to the location immediately be-

1 fore section 37 in subpart C of part IV of sub-
2 chapter A of chapter 1.

3 (2) TECHNICAL AMENDMENTS.—

4 (A) Paragraph (1) of section 23(f) of the
5 Internal Revenue Code of 1986 is amended by
6 striking “21(e)” and inserting “36C(e)”.

7 (B) Paragraph (6) of section 35(g) of such
8 Code is amended by striking “21(e)” and in-
9 serting “36C(e)”.

10 (C) Paragraph (1) of section 36C(a) of
11 such Code (as redesignated by paragraph (1))
12 is amended by striking “this chapter” and in-
13 serting “this subtitle”.

14 (D) Subparagraph (C) of section 129(a)(2)
15 of such Code is amended by striking “section
16 21(e)” and inserting “section 36C(e)”.

17 (E) Paragraph (2) of section 129(b) of
18 such Code is amended by striking “section
19 21(d)(2)” and inserting “section 36C(d)(2)”.

20 (F) Paragraph (1) of section 129(e) of
21 such Code is amended by striking “section
22 21(b)(2)” and inserting “section 36C(b)(2)”.

23 (G) Subsection (e) of section 213 of such
24 Code is amended by striking “section 21” and
25 inserting “section 36C”.

1 (H) Subparagraph (A) of section
2 6211(b)(4) of such Code is amended by insert-
3 ing “36C,” after “36B,”.

4 (I) Subparagraph (H) of section
5 6213(g)(2) of such Code is amended by striking
6 “section 21” and inserting “section 36C”.

7 (J) Subparagraph (L) of section
8 6213(g)(2) of such Code is amended by striking
9 “section 21, 24, 32,” and inserting “section 24,
10 32, 36C,”.

11 (K) Paragraph (2) of section 1324(b) of
12 title 31, United States Code, is amended by in-
13 serting “36C,” after “36B,”.

14 (L) The table of sections for subpart C of
15 part IV of subchapter A of chapter 1 of the In-
16 ternal Revenue Code of 1986 is amended by in-
17 serting after the item relating to section 36B
18 the following:

“Sec. 36C. Expenses for household and dependent care services necessary for
gainful employment.”.

19 (M) The table of sections for subpart A of
20 such part IV of such Code is amended by strik-
21 ing the item relating to section 21.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2015.

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