

115TH CONGRESS  
1ST SESSION

# S. 598

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for child care expenses, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 9, 2017

Mrs. GILLIBRAND (for herself and Mr. PAUL) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for child care expenses, 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. ABOVE-THE-LINE DEDUCTION FOR CHILD CARE**  
4 **EXPENSES.**

5 (a) IN GENERAL.—Part VII of subchapter A of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended—

7 (1) by redesignating section 224 as section 225,  
8 and

9 (2) by inserting after section 223 the following  
10 new section:

1 **“SEC. 224. CHILD CARE DEDUCTION.**

2 “(a) ALLOWANCE OF DEDUCTION.—In the case of an  
3 individual for which there are 1 or more qualifying chil-  
4 dren with respect to such individual for the taxable year,  
5 there shall be allowed as a deduction an amount equal to  
6 the employment-related expenses paid by such individual  
7 during the taxable year.

8 “(b) DOLLAR LIMITATIONS.—

9 “(1) IN GENERAL.—The amount allowed as a  
10 deduction under subsection (a) with respect to the  
11 taxpayer for any taxable year shall not exceed—

12 “(A) \$7,000, if there is 1 qualifying child  
13 with respect to the taxpayer for such taxable  
14 year, or

15 “(B) \$14,000, if there are 2 or more quali-  
16 fying children with respect to the taxpayer for  
17 such taxable year.

18 “(2) ADJUSTMENT FOR INFLATION.—In the  
19 case of a taxable year beginning after 2017, each of  
20 the dollar amounts in paragraph (1) shall be in-  
21 creased by an amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-  
24 mined under section 1(f)(3) for the calendar  
25 year in which such taxable year begins, deter-  
26 mined by substituting ‘calendar year 2016’ for

1           ‘calendar year 1992’ in subparagraph (B)  
2           thereof.

3           If any amount as adjusted under the preceding sen-  
4           tence is not a multiple of \$100, such amount shall  
5           be rounded to the next highest multiple of \$100.

6           “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
7           poses of this section—

8                   “(1) QUALIFYING CHILD.—The term ‘qualifying  
9                   child’ means a dependent of the taxpayer (as defined  
10                  in section 152(a)(1))—

11                           “(A) who has not attained age 13, or

12                           “(B) who is physically or mentally incapa-  
13                   ble of caring for himself or herself.

14                   “(2) EMPLOYMENT-RELATED EXPENSES.—The  
15                   term ‘employment-related expenses’ has the meaning  
16                   given such term by section 21(b)(2), applied as if  
17                   the terms ‘qualifying child’ and ‘qualifying children’,  
18                   within the meaning of this section, were substituted  
19                   for the terms ‘qualifying individual’ and ‘qualifying  
20                   individuals’, respectively.

21                   “(3) SPECIAL RULES.—Rules similar to the  
22                   rules of paragraphs (1), (2), (3), (4), (5), (6), (9),  
23                   and (10) of section 21(e) shall apply.

24                   “(d) DENIAL OF DOUBLE BENEFIT.—

1           “(1) IN GENERAL.—No deduction shall be al-  
2           lowed under this section for any expense with re-  
3           spect to which a credit is claimed by the taxpayer  
4           under section 21.

5           “(2) COORDINATION RULE.—For coordination  
6           with a dependent care assistance program, see sec-  
7           tion 129(e)(7).”.

8           (b) DEDUCTION ALLOWED ABOVE-THE-LINE.—Sub-  
9           section (a) of section 62 of the Internal Revenue Code of  
10          1986 is amended by inserting after paragraph (21) the  
11          following new paragraph:

12           “(22) CHILD CARE DEDUCTION.—The deduc-  
13          tion allowed by section 224.”.

14          (c) CONFORMING AMENDMENT.—Subsection (e) of  
15          section 213 of the Internal Revenue Code of 1986 is  
16          amended by inserting “, or as a deduction under section  
17          224,” after “section 21”.

18          (d) CLERICAL AMENDMENT.—The table of sections  
19          for part VII of subchapter A of chapter 1 of the Internal  
20          Revenue Code of 1986 is amended by striking the item  
21          relating to section 224 and by inserting the following new  
22          items:

“Sec. 224. Child care deduction.

“Sec. 225. Cross reference.”.

1           (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to expenses paid or incurred in  
3 taxable years beginning after December 31, 2016.

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