

119TH CONGRESS  
1ST SESSION

# H. R. 1296

To amend the Internal Revenue Code of 1986 to establish a refundable credit for qualified child care startup expenses.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2025

Mr. CONAWAY (for himself, Mrs. FOUSHEE, Ms. BARRAGÁN, Ms. SÁNCHEZ, Ms. PRESSLEY, Ms. CHU, Ms. TITUS, Ms. NORTON, Ms. ROSS, Ms. BROWNLEY, Mr. TAKANO, Mr. FROST, Mr. CASTEN, Mrs. WATSON COLEMAN, Mrs. RAMIREZ, Ms. PEREZ, Ms. GARCIA of Texas, Mr. CARSON, Mr. CARBAJAL, Mr. GARCIA of California, Mrs. HAYES, Mr. PETERS, Ms. TOKUDA, Mr. JOHNSON of Georgia, Ms. BYNUM, Ms. McDONALD RIVET, Ms. SALINAS, Mr. RUIZ, Mrs. McIVER, and Mrs. CHERFILUS-McCORMICK) 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 establish a refundable credit for qualified child care startup expenses.

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 “Expanding Child Care  
5 Access Act of 2025”.

1 **SEC. 2. LICENSED FAMILY CHILD CARE CREDIT.**

2 (a) IN GENERAL.—Subpart C of part IV of sub-  
 3 chapter A of chapter 1 of the Internal Revenue Code of  
 4 1986 is amended by inserting after section 36B the fol-  
 5 lowing new section:

6 **“SEC. 36C. LICENSED FAMILY CHILD CARE CREDIT.**

7 “(a) IN GENERAL.—In the case of a qualified tax-  
 8 payer, there shall be allowed as a credit against the tax  
 9 imposed by this subtitle for any taxable year an amount  
 10 equal to so much of the qualified child care startup ex-  
 11 penses of the taxpayer for such taxable year or for the  
 12 preceding taxable year as do not exceed \$5,000.

13 “(b) QUALIFIED TAXPAYER.—For purposes of this  
 14 section, the term ‘qualified taxpayer’ means, with respect  
 15 to a taxable year, a taxpayer that operates a qualified fam-  
 16 ily child care provider.

17 “(c) QUALIFIED FAMILY CHILD CARE PROVIDER.—  
 18 For purposes of this section, the term ‘qualified family  
 19 child care provider’ means a family child care provider  
 20 that, with respect to a taxable year—

21 “(1) provides child care services for compensa-  
 22 tion that, as of the last day of such taxable year, is  
 23 licensed or registered under State law and satisfies  
 24 State and local requirements applicable to the child  
 25 care services it provides,

1           “(2) primarily provides child care at the tax-  
2           payer’s primary residence, and

3           “(3) provided child care services to not less  
4           than 2 children (excluding children of such taxpayer)  
5           for a significant portion of such taxable year.

6           “(d) QUALIFIED CHILD CARE STARTUP EX-  
7           PENSES.—For purposes of this section, the term ‘qualified  
8           child care startup expenses’ means amounts paid or in-  
9           curred for any of the following in order to establish and  
10          operate a qualified family child care provider:

11           “(1) Child care licensing fees.

12           “(2) Child care supplies including diapers, food,  
13           toys, and learning materials.

14           “(3) Liability insurance.

15           “(4) Fencing and installation of such fencing.

16           “(5) Outdoor playground equipment and instal-  
17           lation of such equipment.

18           “(6) Furniture necessary to provide child care.

19           “(7) Salary of an employee other than the tax-  
20           payer.

21           “(8) Printer and computers.

22           “(9) Professional training required as a condi-  
23           tion of State licensure or registration.

1           “(10) Remediation or renovation of the tax-  
2           payer’s primary residence required as a condition of  
3           State licensure or registration.

4           “(e) LIMITATIONS.—No credit shall be allowed under  
5           subsection (a) to any taxpayer to whom a credit was al-  
6           lowed under such subsection in any other taxable year.

7           “(f) DENIAL OF DOUBLE BENEFIT.—No credit shall  
8           be allowed under subsection (a) for any expense for which  
9           a deduction or credit is allowed under any other provision  
10          of this chapter.

11          “(g) REGULATIONS.—The Secretary shall issue such  
12          regulations or other guidance as may be necessary or ap-  
13          propriate to carry out the purposes of this section, includ-  
14          ing regulations relating to such information reporting and  
15          coordination with state and local licensing or registration  
16          entities as the Secretary determines appropriate.

17          “(h) SUNSET.—No credit shall be allowed under sub-  
18          section (a) for any taxable year beginning after the date  
19          that is 7 years after the date of the enactment of this  
20          section.”.

21          (b) CONFORMING AMENDMENT.—Section 1324(b)(2)  
22          of title 31, United States Code, is amended by inserting  
23          “36C,” after “36B,”.

24          (c) CLERICAL AMENDMENT.—The table of sections  
25          for subpart C of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by in-  
2 serting after the item relating to section 36B the following  
3 new item:

“Sec. 36C. Licensed family child care credit.”.

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to amounts paid or incurred after  
6 the date of the enactment of this Act.

○