

105TH CONGRESS  
2D SESSION

# H. R. 4782

To amend the Internal Revenue Code of 1986 to make the dependent care tax credit refundable and to increase the amount of allowable dependent care expenses, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 1998

Mr. THOMPSON introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make the dependent care tax credit refundable and to increase the amount of allowable dependent 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. DEPENDENT CARE TAX CREDIT.**

4       (a) MAKING CREDIT REFUNDABLE.—

5               (1) IN GENERAL.—Part IV of subchapter A of  
6       chapter 1 of the Internal Revenue Code of 1986 is  
7       amended—

1 (A) in subpart C (relating to refundable  
2 credits) by redesignating section 35 as section  
3 36, and

4 (B) by moving section 21 from subpart A  
5 to subpart C and redesignating such section as  
6 section 35.

7 (2) CLERICAL AMENDMENTS.—

8 (A) The table of sections for subpart A of  
9 part IV of subchapter A of chapter 1 of such  
10 Code is amended by striking the item relating  
11 to section 21.

12 (B) The table of sections for subpart C of  
13 part IV of subchapter A of chapter 1 of such  
14 Code is amended by striking the item relating  
15 to section 35 and inserting the following:

“Sec. 35. Expenses for household and dependent care services  
necessary for gainful employment.

“Sec. 36. Overpayments of tax.”.

16 (b) INCREASE IN DOLLAR LIMIT.—Subsection (c) of  
17 section 35 of such Code (as redesignated by subsection  
18 (a) of this section) is amended—

19 (1) by striking “\$2,400” in paragraph (1) and  
20 inserting “\$3,000”, and

21 (2) by striking “\$4,800” in paragraph (2) and  
22 inserting “\$6,000”.

1       (c) INCREASE IN APPLICABLE PERCENTAGE.—Para-  
2 graph (2) of section 35(a) of such Code (as redesignated  
3 by subsection (a) of this section) is amended—

4           (1) by striking “\$2,000” and inserting  
5       “\$3,000”, and

6           (2) by striking “\$10,000” and inserting  
7       “\$30,000”.

8       (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 1998.

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