

106TH CONGRESS
1ST SESSION

H. R. 963

To amend the Internal Revenue Code of 1986 to allow employers a credit for a portion of the expenses of providing dependent care services to employees.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1999

Ms. PRYCE of Ohio (for herself, Mr. ROEMER, Mr. BEREUTER, Mr. LATOURETTE, Mrs. KELLY, Ms. GRANGER, Mr. FROST, Mr. SHOWS, Mr. HINCHEY, Mrs. CLAYTON, Mr. CUMMINGS, Mrs. MYRICK, Mr. WALSH, Ms. NORTON, Mr. CLEMENT, Mr. KING, Mr. VENTO, Ms. LOFGREN, Ms. DEGETTE, Mr. PAUL, Mr. MEEKS of New York, Mrs. JONES of Ohio, Mr. SANDLIN, Mr. DEFazio, and Mr. FORBES) 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 allow employers a credit for a portion of the expenses of providing dependent care services to employees.

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 “Child Care Availability
5 Incentive Act”.

1 **SEC. 2. CREDIT FOR EMPLOYER EXPENSES IN PROVIDING**
2 **CERTAIN DEPENDENT CARE SERVICES.**

3 (a) GENERAL RULE.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 section:

7 **“SEC. 45D. EMPLOYER EXPENSES IN PROVIDING DEPEND-**
8 **ENT CARE SERVICES.**

9 “(a) GENERAL RULE.—For purposes of section 38,
10 the employer day care center credit determined under this
11 section for the taxable year is the amount determined
12 under subsection (b) with respect to each qualified day
13 care center of the taxpayer.

14 “(b) CREDIT PER FACILITY.—For purposes of this
15 section—

16 “(1) IN GENERAL.—The amount determined
17 under this subsection for any taxable year with re-
18 spect to any qualified day care facility of the tax-
19 payer is 50 percent of the excess (if any) of—

20 “(A) the expenses paid or incurred by the
21 taxpayer during the taxable year in providing
22 dependent care services at such facility for em-
23 ployees, over

24 “(B) the aggregate amount received or ac-
25 crued during the taxable year by the employer
26 for such services.

1 “(2) DEPRECIATION ALLOWANCES.—For pur-
 2 poses of paragraph (1), depreciation allowances
 3 under section 167 shall be treated as expenses.

4 “(c) QUALIFIED DAY CARE CENTER.—For purposes
 5 of this section, the term ‘qualified day care center’ means
 6 any day care center—

7 “(1) which is operated by the taxpayer exclu-
 8 sively for purposes of providing dependent care serv-
 9 ices to employees,

10 “(2) which is located on the business premises
 11 of the taxpayer or on a site adjacent to such prem-
 12 ises,

13 “(3) which complies with all applicable laws and
 14 regulations of a State or unit of local government,
 15 and

16 “(4) the operation of which is part of a depend-
 17 ent care assistance program (as defined in section
 18 129(d)).”

19 (b) CREDIT MADE PART OF GENERAL BUSINESS
 20 CREDIT.—Subsection (b) of section 38 of such Code is
 21 amended by striking “plus” at the end of paragraph (11),
 22 by striking the period at the end of paragraph (12) and
 23 inserting “, plus”, and by adding at the end thereof the
 24 following new paragraph:

1 “(13) the employer day care center credit deter-
2 mined under section 45D(a).”

3 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
4 such Code is amended by adding at the end thereof the
5 following new subsection:

6 “(d) CREDIT FOR EMPLOYER DAY CARE CENTER
7 EXPENSES.—No deduction shall be allowed for that por-
8 tion of the expenses referred to in section 45D(b)(1)(A)
9 otherwise allowable as a deduction for the taxable year
10 which is equal to the amount of the credit determined for
11 such taxable year under section 45D(a).”

12 (d) CLERICAL AMENDMENT.—The table of sections
13 for subpart D of part IV of subchapter A of chapter 1
14 of such Code is amended by adding at the end the follow-
15 ing new item:

“Sec. 45D. Employer expenses in providing dependent care serv-
ices.”

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 the date of the enactment of this Act.

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