

108TH CONGRESS
1ST SESSION

H. R. 181

To amend the Internal Revenue Code of 1986 to allow all taxpayers who maintain households with dependents a credit for dependents.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. RYUN of Kansas 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 all taxpayers who maintain households with dependents a credit for dependents.

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 “Family Care Tax Cred-
5 it Act”.

6 **SEC. 2. HOUSEHOLDS WITH DEPENDENTS.**

7 (a) ALLOWANCE OF CREDIT.—Paragraph (1) of sec-
8 tion 21(a) of the Internal Revenue Code of 1986 (relating
9 to allowance of credit for expenses for household and de-
10 pendent care services necessary for gainful employment)

1 is amended by striking “employment-related expenses (as
 2 defined in subsection (b)(2)) paid by such individual dur-
 3 ing the taxable year” and inserting “allowable amount”.

4 (b) APPLICABLE PERCENTAGE DEFINED.—Para-
 5 graph (2) of section 21(a) of such Code (relating to appli-
 6 cable percentage defined) is amended—

7 (1) by striking “35 percent reduced (but not
 8 below 20 percent)” and inserting “50 percent re-
 9 duced”, and

10 (2) by striking “\$15,000” and inserting
 11 “\$30,000”.

12 (c) DOLLAR LIMIT.—Subsection (c) of section 21 of
 13 such Code is amended to read as follows:

14 “(c) ALLOWABLE AMOUNT.—

15 “(1) IN GENERAL.—The allowable amount
 16 which may be taken into account under subsection
 17 (a) is the sum of—

18 “(A) \$250 times the number of months in
 19 the taxable year of the taxpayer during which
 20 there is not 1 day on which the taxpayer is
 21 gainfully employed, plus

22 “(B) the employment-related expenses paid
 23 by the taxpayer during the taxable year.

24 “(2) LIMITATION.—The amount determined
 25 under paragraph (1) shall not exceed—

1 “(A) \$3,000 if there is 1 qualifying indi-
 2 vidual with respect to the taxpayer for such tax-
 3 able year, or

4 “(B) \$6,000 if there are 2 or more quali-
 5 fying individuals with respect to the taxpayer
 6 for such taxable year.

7 “(3) REDUCTION FOR EMPLOYER-PROVIDED
 8 DEPENDENT CARE ASSISTANCE.—The amount deter-
 9 mined under paragraph (1) (after the application of
 10 paragraph (2)) shall be reduced by the aggregate
 11 amount excludable from gross income under section
 12 129 for the taxable year.”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) The heading for section 21 of such Code is
 15 amended to read as follows:

16 **“SEC. 21. HOUSEHOLDS WITH DEPENDENTS.”**

17 (2) Paragraph (2) of section 21(d) of such Code
 18 is amended—

19 (A) in subparagraph (A) by striking “sub-
 20 section (c)(1)” and inserting “subsection
 21 (c)(2)(A)”, and

22 (B) in subparagraph (B) by striking “sub-
 23 section (c)(2)” and inserting “subsection
 24 (c)(2)(B)”.

1 (3) Subparagraph (H) of section 6213(g)(2) of
2 such Code is amended by striking “expenses for
3 household and dependent care services necessary for
4 gainful employment” and inserting “households with
5 dependents”.

6 (e) CLERICAL AMENDMENT.—The item relating to
7 section 21 in the table of sections for subpart A of part
8 IV of subchapter A of chapter 1 of such Code is amended
9 to read as follows:

 “Sec. 21. Households with dependents.”

10 (f) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2002.

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