

108TH CONGRESS  
2D SESSION

# H. R. 4379

To amend the Internal Revenue Code of 1986 to increase the amount which may be excluded from the gross income of an employee for dependent care assistance with respect to dependent care services provided during a taxable year, to adjust such amount each year by the rate of inflation for such year, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2004

Ms. BALDWIN 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 increase the amount which may be excluded from the gross income of an employee for dependent care assistance with respect to dependent care services provided during a taxable year, to adjust such amount each year by the rate of inflation for such year, 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. SHORT TITLE.**

4       This Act may be cited as the “Working Parents Child  
5       Care Relief Act”.

1 **SEC. 2. INCREASE OF AMOUNT WHICH MAY BE EXCLUDED**  
 2 **FROM GROSS INCOME OF EMPLOYEE FOR DE-**  
 3 **PENDENT CARE ASSISTANCE AND ANNUAL**  
 4 **ADJUSTMENT OF AMOUNT FOR ANNUAL**  
 5 **RATE OF INFLATION.**

6 (a) INCREASE OF AMOUNT.—Section 129(a)(2)(A) of  
 7 the Internal Revenue Code of 1986 is amended by striking  
 8 “\$5,000 (\$2,000” and inserting “\$6,000 (\$3,000”.

9 (b) ANNUAL ADJUSTMENT.—Section 129(a)(2) of  
 10 the Internal Revenue Code of 1986 is amended by adding  
 11 at the end the following new subparagraph:

12 “(D) ADJUSTMENT FOR INFLATION.—

13 “(i) IN GENERAL.—In the case of any  
 14 taxable year beginning in a calendar year  
 15 after 2005, each amount specified in sub-  
 16 paragraph (A) shall be increased by an  
 17 amount equal to the product of—

18 “(I) such amount, and

19 “(II) the cost-of-living adjust-  
 20 ment determined under section 1(f)(3)  
 21 for the calendar year in which the tax-  
 22 able year begins, determined by sub-  
 23 stituting ‘2004’ in subparagraph (B)  
 24 thereof.

25 “(ii) ROUNDING.—If any increase de-  
 26 termined under clause (i) is not a multiple

1                   of \$50, such increase shall be rounded to  
2                   the nearest multiple of \$50.”.

3       (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2004.

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