

108TH CONGRESS
1ST SESSION

S. 388

To amend the Internal Revenue Code of 1986 to expand the dependent care tax credit, to accelerate the child tax credit, and to promote dependent care assistance programs.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2003

Mr. ROBERTS (for himself, Mrs. HUTCHISON, Ms. COLLINS, and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to expand the dependent care tax credit, to accelerate the child tax credit, and to promote dependent care assistance programs.

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 “A Boost for Child Care
5 Act”.

6 **SEC. 2. EXPANSION OF DEPENDENT CARE TAX CREDIT.**

7 (a) PERCENTAGE OF EMPLOYMENT-RELATED EX-
8 PENSES DETERMINED BY TAXPAYER STATUS.—Para-

1 graph (2) of section 21(a) of the Internal Revenue Code
2 of 1986 (relating to credit for expenses for household and
3 dependent care services necessary for gainful employment)
4 is amended to read as follows:

5 “(2) APPLICABLE PERCENTAGE DEFINED.—For
6 purposes of paragraph (1), the term ‘applicable per-
7 centage’ means 50 percent reduced (but not below
8 zero) by 1 percentage point for each \$1,500, or frac-
9 tion thereof, by which the taxpayer’s adjusted gross
10 income for the taxable year exceeds \$30,000.”.

11 (b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME
12 PARENTS.—Section 21(e) of the Internal Revenue Code
13 of 1986 (relating to special rules) is amended by adding
14 at the end the following new paragraph:

15 “(11) MINIMUM CREDIT ALLOWED FOR STAY-
16 AT-HOME PARENTS.—Notwithstanding subsection
17 (d), in the case of any taxpayer with 1 or more
18 qualifying individuals described in subsection
19 (b)(1)(A) under the age of 4 at any time during the
20 taxable year, such taxpayer shall be deemed to have
21 employment-related expenses with respect to such
22 qualifying individuals in an amount equal to the
23 greater of—

24 “(A) the amount of employment-related ex-
25 penses incurred for such qualifying individuals

1 for the taxable year (determined under this sec-
2 tion without regard to this paragraph), or

3 “(B) \$150 for each month in such taxable
4 year during which such qualifying individual is
5 under the age of 4.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2003.

9 **SEC. 3. ACCELERATION OF CHILD TAX CREDIT.**

10 (a) IN GENERAL.—Subsection (a) of section 24 of the
11 Internal Revenue Code of 1986 (relating to child tax cred-
12 it) is amended to read as follows:

13 “(a) ALLOWANCE OF CREDIT.—There shall be al-
14 lowed as a credit against the tax imposed by this chapter
15 for the taxable year with respect to each qualifying child
16 of the taxpayer an amount equal to \$1,000.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) REPEAL OF AMENDMENT.—Section 201(a)
19 of the Economic Growth and Tax Relief Reconcili-
20 ation Act of 2001 is repealed.

21 (2) REPEAL OF SUNSET.—Title IX of the Eco-
22 nomic Growth and Tax Relief Reconciliation Act of
23 2001 (relating to sunset of provisions of such Act)
24 shall not apply to section 201 (other than subsection
25 (a) of such section) of such Act.

1 **SEC. 4. PROMOTION OF DEPENDENT CARE ASSISTANCE**2 **PROGRAMS.**

3 (a) IN GENERAL.—The Secretary of Labor shall es-
4 tablish a program to promote awareness of the use of de-
5 pendent care assistance programs (as described in section
6 129(d) of the Internal Revenue Code of 1986) by employ-
7 ers.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to carry out the program
10 under subsection (a) \$1,000,000 for each of fiscal years
11 2004, 2005, 2006, and 2007.

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