

110TH CONGRESS  
1ST SESSION

# H. R. 1871

To amend the Internal Revenue Code of 1986 to increase, expand the availability of, and repeal the sunset with respect to, the dependent care tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2007

Mrs. GILLIBRAND (for herself, Mrs. BONO, Mr. HIGGINS, Mr. MCNERNEY, Mrs. BOYDA of Kansas, Mr. RUPPERSBERGER, Mr. BISHOP of Georgia, Mr. BARROW, Mr. PETERSON of Minnesota, Mr. LINCOLN DAVIS of Tennessee, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. ARCURI, Mr. BOSWELL, Mr. SHULER, Mr. ELLSWORTH, Mr. ALTMIRE, Mr. WILSON of Ohio, Mr. CARNEY, Mr. McNULTY, Ms. SHEA-PORTER, Ms. SUTTON, Mr. MAHONEY of Florida, Ms. HARMAN, Ms. CASTOR, Mr. WALZ of Minnesota, Ms. CLARKE, Mr. HARE, Mr. ISRAEL, Mr. CROWLEY, Mr. HINCHEY, Mr. DONNELLY, Mr. YARMUTH, Mr. LOEBSACK, Ms. HIRONO, Mr. PERLMUTTER, Mr. COURTNEY, and Mr. JOHNSON of Georgia) 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, expand the availability of, and repeal the sunset with respect to, the dependent care tax credit.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Family Care Act of  
3 2007”.

4 **SEC. 2. INCREASE AND INFLATION ADJUSTMENT FOR DE-**  
5 **PENDENT CARE CREDIT.**

6 (a) IN GENERAL.—

7 (1) INCREASE.—Paragraph (2) of section 21(a)  
8 of the Internal Revenue Code of 1986 (relating to  
9 expenses for household and dependent care services  
10 necessary for gainful employment) is amended to  
11 read as follows:

12 “(2) APPLICABLE PERCENTAGE.—The term  
13 ‘applicable percentage’ means—

14 “(A) 40 percent in the case of a taxpayer  
15 whose adjusted gross income is \$100,000 or  
16 less, and

17 “(B) 20 percent in the case of any other  
18 taxpayer.”.

19 (2) INFLATION ADJUSTMENT.—Section 21 of  
20 such Code is amended by redesignating subsection  
21 (f) as subsection (g) and by inserting after sub-  
22 section (e) the following new subsection:

23 “(f) COST-OF-LIVING ADJUSTMENT.—In the case of  
24 any taxable year beginning in a calendar year after 2007,  
25 the \$100,000 amount contained in subsection (a)(2)(A)  
26 shall be increased by an amount equal to—

1 “(1) such dollar amount, multiplied by

2 “(2) the cost-of-living adjustment determined  
3 under section 1(f)(3) for the calendar year in which  
4 the taxable year begins, determined by substituting  
5 ‘calendar year 2006’ for ‘calendar year 1992’ in sub-  
6 paragraph (B) thereof.

7 Any increase determined under the preceding sentence  
8 shall be rounded to the nearest multiple of \$1,000.”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2006.

12 **SEC. 3. INCREASE IN DEPENDENT CARE CREDIT MADE**  
13 **PERMANENT.**

14 Section 901 of the Economic Growth and Tax Relief  
15 Reconciliation Act of 2001 shall not apply to the amend-  
16 ments made by section 204 of such Act (relating to de-  
17 pendent care credit).

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