

111TH CONGRESS  
2D SESSION

# H. R. 5075

To amend the Internal Revenue Code of 1986 to modify the dependent care tax credit and to extend and increase the additional standard deduction for State and local real property taxes.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 2010

Mr. ADLER of New Jersey 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 modify the dependent care tax credit and to extend and increase the additional standard deduction for State and local real property taxes.

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 “Middle Class Tax Re-  
5       lief Act”.

1 **SEC. 2. MODIFICATION OF DEPENDENT CARE CREDIT.**

2 (a) INCREASE IN DOLLAR LIMITATION.—Subsection  
3 (c) of section 21 of the Internal Revenue Code of 1986  
4 is amended—

5 (1) by striking “\$3,000” in paragraph (1) and  
6 inserting “\$6,000”, and

7 (2) by striking “\$6,000” in paragraph (2) and  
8 inserting “\$12,000”.

9 (b) INCREASED PHASEOUT THRESHOLD.—Para-  
10 graph (2) of section 21(a) of the Internal Revenue Code  
11 of 1986 (defining applicable percentage) is amended by  
12 striking “\$15,000” and inserting “\$60,000”.

13 (c) MODIFICATION OF CREDIT FOR EXPENSES FOR  
14 HOUSEHOLD AND DEPENDENT CARE SERVICES NEC-  
15 ESSARY FOR GAINFUL EMPLOYMENT.—

16 (1) IN GENERAL.—Paragraph (1) of section  
17 21(b) of the Internal Revenue Code of 1986 (relat-  
18 ing to qualifying individual) is amended by striking  
19 “or” at the end of subparagraph (B), by striking the  
20 period at the end of subparagraph (C) and inserting  
21 “, or,” and by adding at the end the following new  
22 subparagraph:

23 “(D) a dependent of the taxpayer (as de-  
24 fined in section 152, determined without regard  
25 to subsections (b)(1), (b)(2), and (d)(1)(B))  
26 who is the father or mother of the taxpayer (or

1 an ancestor of such father or mother) and who  
 2 is physically or mentally incapable of caring for  
 3 himself or herself.”.

4 (2) CONFORMING AMENDMENT.—Section  
 5 21(b)(1)(B) of such Code is amended by inserting  
 6 “(other than a dependent described in subparagraph  
 7 (D))” after “and (d)(1)(B))”.

8 (d) REPEAL OF EGTRRA SUNSET FOR INCREASED  
 9 DOLLAR LIMIT.—Title IX of the Economic Growth and  
 10 Tax Relief Reconciliation Act of 2001 shall not apply to  
 11 section 204(a) of such Act.

12 (e) EFFECTIVE DATE.—The amendments made by  
 13 this section shall apply to taxable years beginning after  
 14 December 31, 2009.

15 **SEC. 3. ADDITIONAL STANDARD DEDUCTION FOR STATE**  
 16 **AND LOCAL REAL PROPERTY TAXES.**

17 (a) ONE-YEAR EXTENSION.—Subparagraph (C) of  
 18 section 63(c)(1) of the Internal Revenue Code of 1986 is  
 19 amended by striking “or 2009” and inserting “, 2009, or  
 20 2010”.

21 (b) INCREASE IN DEDUCTION ALLOWABLE.—Para-  
 22 graph (7) of section 63(c) of such Code is amended by  
 23 striking “the lesser of—” and all that follows through  
 24 “Any taxes” and inserting “the amount allowable as a de-

1 duction under this chapter for State and local taxes de-  
2 scribed in section 164(a)(1). Any taxes”.

3 (c) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2009.

○