

113TH CONGRESS
1ST SESSION

H. R. 2048

To amend the Internal Revenue Code of 1986 to improve the dependent care credit by repealing the phasedown of the credit percentage.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2013

Mr. ISRAEL 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 improve the dependent care credit by repealing the phasedown of the credit percentage.

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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Middle Class Dependent Care Fairness Act of 2013”.

6 (b) FINDINGS.—Congress finds the following:

7 (1) During the past few decades we have seen
8 a greater need for childcare which means a greater
9 cost for middle-class families. These child care costs
10 can be a major burden for modern families.

1 (2) In 2011, 44 percent of all American fami-
2 lies included children under the age of 18. Fifty-
3 eight and one-half percent of married couples with
4 children both worked in 2011. The labor force par-
5 ticipation rate of mothers with children under the
6 age of 6 was 63.9 percent in 2011 compared with
7 39 percent in 1975.

8 (3) Nationwide, on any given day, 4.6 million
9 children under the age of 5 are in child care outside
10 the home.

11 (4) In 40 States, the average annual cost for
12 center-based care for an infant is higher than a
13 year's tuition and related fees at a 4-year public col-
14 lege.

15 **SEC. 2. DEPENDENT CARE CREDIT IMPROVEMENTS.**

16 (a) REPEAL OF PHASEDOWN OF CREDIT PERCENT-
17 AGE.—Subsection (a) of section 21 of the Internal Rev-
18 enue Code of 1986 is amended to read as follows:

19 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
20 dividual for which there are 1 or more qualifying individ-
21 uals (as defined in subsection (b)(1)) with respect to such
22 individual, there shall be allowed as a credit against the
23 tax imposed by this chapter for the taxable year an
24 amount equal to 35 percent of the employment-related ex-

1 penses (as defined in subsection (b)(2)) paid by such indi-
2 vidual during the taxable year.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

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