

113TH CONGRESS
1ST SESSION

H. R. 3740

To amend the Internal Revenue Code of 1986 to make the credit for dependent care expenses refundable and to index the income phaseout of the credit for inflation.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2013

Ms. EDWARDS (for herself, Mr. CONYERS, Ms. DELAURO, Mr. RUPPERSBERGER, Ms. MATSUI, and Ms. MENG) 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 make the credit for dependent care expenses refundable and to index the income phaseout of the credit for inflation.

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 “Child Care Access and
5 Refundability Expansion Act” or as the “Child CARE
6 Act”.

7 **SEC. 2. CREDIT FOR DEPENDENT CARE EXPENSES.**

8 (a) CREDIT MADE REFUNDABLE.—

1 (1) IN GENERAL.—The Internal Revenue Code
2 of 1986 is amended by redesignating section 21 as
3 section 36C and by moving such section after section
4 36B.

5 (2) CREDIT NOT ALLOWED TO NONRESIDENT
6 ALIENS.—Section 36C(a)(1) of the Internal Revenue
7 Code of 1986, as redesignated by this section, is
8 amended by inserting “(other than a nonresident
9 alien)” after “In the case of an individual”.

10 (3) CONFORMING AMENDMENTS.—

11 (A) Section 23(f)(1) of such Code is
12 amended by striking “section 21(e)” and insert-
13 ing “section 36C(e)”.

14 (B) Section 35(g)(6) of such Code is
15 amended by striking “section 21(e)” and insert-
16 ing “section 36C(e)”.

17 (C) Section 36C(a)(1) of such Code, as re-
18 designated by this section, is amended by strik-
19 ing “this chapter” and inserting “this subtitle”.

20 (D) Section 129(a)(2)(C) of such Code is
21 amended by striking “section 21(e)” and insert-
22 ing “section 36C(e)”.

23 (E) Section 129(b)(2) of such Code is
24 amended by striking “section 21(d)(2)” and in-
25 serting “section 36C(d)(2)”.

1 (F) Section 129(e)(1) of such Code is
2 amended by striking “section 21(b)(2)” and in-
3 serting “section 36C(b)(2)”.

4 (G) Section 213(e) of such Code is amend-
5 ed by striking “section 21” and inserting “sec-
6 tion 36C”.

7 (H) Section 6211(b)(4)(A) of such Code is
8 amended by inserting “36C,” after “36B,”.

9 (I) Section 6213(g)(2)(H) of such Code is
10 amended by striking “section 21” and inserting
11 “section 36C”.

12 (J) Section 6213(g)(2)(L) of such Code is
13 amended by striking “section 21, 24, 32, or
14 6428” and inserting “section 24, 32, 36C, or
15 6428”.

16 (K) Paragraph (2) of section 1324(b) of
17 title 31, United States Code, is amended by in-
18 serting “36C,” after “36B,”.

19 (L) The table of sections for subpart A of
20 part IV of subchapter A of chapter 1 of the In-
21 ternal Revenue Code of 1986 is amended by
22 striking the item relating to section 21.

23 (M) The table of sections for subpart C of
24 part IV of subchapter A of chapter 1 of such

1 Code is amended by inserting after the item re-
 2 lating to section 36B the following new item:

“Sec. 36C. Expenses for household and dependent care services necessary for
 gainful employment.”.

3 (b) INFLATION ADJUSTMENT OF INCOME THRESH-
 4 OLDS FOR CREDIT PHASEDOWN.—Section 36C(e) of the
 5 Internal Revenue Code of 1986, as redesignated by this
 6 section, is amended by adding at the end the following
 7 new paragraph:

8 “(11) INFLATION ADJUSTMENT.—

9 “(A) IN GENERAL.—In the case of any
 10 taxable year beginning in a calendar year after
 11 2013, the \$2,000 amount and the \$15,000
 12 amount in subsection (a)(2) shall each be in-
 13 creased by an amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
 16 termined under section 1(f)(3) for the cal-
 17 endar year in which the taxable year be-
 18 gins, determined by substituting ‘calendar
 19 year 2012’ for ‘calendar year 1992’ in sub-
 20 paragraph (B) thereof.

21 “(B) ROUNDING.—Any increase deter-
 22 mined under subparagraph (A) shall be rounded
 23 to the nearest multiple of—

1 “(i) in the case of the \$2,000 amount,
2 \$50, and
3 “(ii) in the case of the \$15,000
4 amount, \$100.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2013.

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