

114TH CONGRESS  
1ST SESSION

# S. 820

To amend the Internal Revenue Code of 1986 to enhance the Child and Dependent Care Tax Credit and make the credit fully refundable.

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IN THE SENATE OF THE UNITED STATES

MARCH 19, 2015

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to enhance the Child and Dependent Care Tax Credit and make the credit fully refundable.

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 and Dependent  
5 Care Tax Credit Enhancement Act of 2015”.

6 **SEC. 2. ENHANCEMENT OF CHILD AND DEPENDENT CARE**  
7 **TAX CREDIT.**

8 (a) IN GENERAL.—Paragraph (2) of section 21(a) of  
9 the Internal Revenue Code of 1986 is amended to read  
10 as follows:

1           “(2) APPLICABLE PERCENTAGE.—For purposes  
2 of paragraph (1), the term ‘applicable percentage’  
3 means—

4           “(A) in the case of employment-related ex-  
5 penses incurred for the care of a qualifying in-  
6 dividual who has not attained 5 years of age be-  
7 fore the close of the taxable year, 50-percent re-  
8 duced (but not below 20 percent) by 1 percent-  
9 age point for each \$2,000 (or fraction thereof)  
10 by which the taxpayer’s adjusted gross income  
11 for the taxable year exceeds \$120,000, and

12           “(B) in the case of any employment-related  
13 expenses which are not described in subpara-  
14 graph (A), 35-percent reduced (but not below  
15 20 percent) by 1 percentage point for each  
16 \$2,000 (or fraction thereof) by which the tax-  
17 payer’s adjusted gross income for the taxable  
18 year exceeds \$120,000.”.

19           (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-  
20 ITABLE.—Paragraphs (1) and (2) of section 21(c) of such  
21 Code are amended to read as follows:

22           “(1) in the case of 1 qualifying individual with  
23 respect to the taxpayer for such taxable year—

1           “(A) if such qualifying individual has at-  
2           tained 5 years of age before the close of the  
3           taxable year, \$3,000, or

4           “(B) if such qualifying individual has not  
5           attained 5 years of age before the close of the  
6           taxable year, \$6,000, or

7           “(2) in the case of 2 or more qualifying individ-  
8           uals with respect to the taxpayer for such taxable  
9           year—

10           “(A) if 1 of such qualifying individuals has  
11           not attained 5 years of age before the close of  
12           the taxable year, \$9,000, or

13           “(B) if 2 or more of such qualifying indi-  
14           viduals have not attained 5 years of age before  
15           the close of the taxable year, \$12,000.”.

16           (c) ADJUSTMENT FOR INFLATION.—Section 21 of  
17 such Code is amended—

18           (1) by redesignating subsection (f) as sub-  
19           section (g), and

20           (2) by inserting after subsection (e) the fol-  
21           lowing new subsection:

22           “(f) INFLATION ADJUSTMENT.—

23           “(1) IN GENERAL.—In the case of a calendar  
24           year beginning after 2016, the \$120,000 dollar  
25           amounts in subparagraphs (A) and (B) of subsection

1 (a)(2) and the dollar amounts in subsection (c) shall  
2 each be increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-  
5 mined under section 1(f)(3) for the calendar  
6 year in which the taxable year begins, deter-  
7 mined by substituting ‘calendar year 2015’ for  
8 ‘calendar year 1992’ in subparagraph (B)  
9 thereof.

10 “(2) ROUNDING.—If any dollar amount, after  
11 being increased under paragraph (1), is not a mul-  
12 tiple of \$100, such dollar amount shall be rounded  
13 to the next lowest multiple of \$100.”.

14 (d) CREDIT TO BE REFUNDABLE.—

15 (1) IN GENERAL.—The Internal Revenue Code  
16 of 1986 is amended—

17 (A) by redesignating section 21 as section  
18 36C, and

19 (B) by moving section 36C, as so redesi-  
20 gnated, from subpart A of part IV of subchapter  
21 A of chapter 1 to the location immediately be-  
22 fore section 37 in subpart C of part IV of sub-  
23 chapter A of chapter 1.

24 (2) TECHNICAL AMENDMENTS.—

1 (A) Paragraph (1) of section 23(f) of the  
2 Internal Revenue Code of 1986 is amended by  
3 striking “21(e)” and inserting “36C(e)”.

4 (B) Paragraph (6) of section 35(g) of such  
5 Code is amended by striking “21(e)” and in-  
6 serting “36C(e)”.

7 (C) Paragraph (1) of section 36C(a) of  
8 such Code (as redesignated by paragraph (1))  
9 is amended by striking “this chapter” and in-  
10 serting “this subtitle”.

11 (D) Subparagraph (C) of section 129(a)(2)  
12 of such Code is amended by striking “section  
13 21(e)” and inserting “section 36C(e)”.

14 (E) Paragraph (2) of section 129(b) of  
15 such Code is amended by striking “section  
16 21(d)(2)” and inserting “section 36C(d)(2)”.

17 (F) Paragraph (1) of section 129(e) of  
18 such Code is amended by striking “section  
19 21(b)(2)” and inserting “section 36C(b)(2)”.

20 (G) Subsection (e) of section 213 of such  
21 Code is amended by striking “section 21” and  
22 inserting “section 36C”.

23 (H) Subparagraph (H) of section  
24 6213(g)(2) of such Code is amended by striking  
25 “section 21” and inserting “section 36C”.

1           (I) Subparagraph (L) of section  
2           6213(g)(2) of such Code is amended by striking  
3           “section 21, 24, or 32,” and inserting “section  
4           24, 32, or 36C.”.

5           (J) Paragraph (2) of section 1324(b) of  
6           title 31, United States Code, is amended by in-  
7           serting “36C,” after “36B.”.

8           (K) The table of sections for subpart C of  
9           part IV of subchapter A of chapter 1 of the In-  
10          ternal Revenue Code of 1986 is amended by in-  
11          serting after the item relating to section 36B  
12          the following:

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

13          (L) The table of sections for subpart A of  
14          such part IV is amended by striking the item  
15          relating to section 21.

16          (e) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to taxable years beginning after  
18          December 31, 2015.

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