

115TH CONGRESS
1ST SESSION

H. R. 2633

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

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2017

Mr. DANNY K. DAVIS of Illinois (for himself, Ms. DELBENE, and Mr. BLUMENAUER) 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 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 2017”.

1 **SEC. 2. ENHANCEMENT OF CHILD AND DEPENDENT CARE**

2 **TAX CREDIT.**

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

6 “(2) APPLICABLE PERCENTAGE.—For purposes
7 of paragraph (1), the term ‘applicable percentage’
8 means 50 percent reduced (but not below 20 per-
9 cent) by 1 percentage point for each \$2,000 (or frac-
10 tion thereof) by which the taxpayer’s adjusted gross
11 income for the taxable year exceeds \$120,000.”.

12 (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-
13 ITABLE.—Subsection (c) of section 21 of such Code is
14 amended—

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

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

19 (c) ADJUSTMENT FOR INFLATION.—Section 21 of
20 such Code is amended—

21 (1) by redesignating subsection (f) as sub-
22 section (g); and

23 (2) by inserting after subsection (e) the fol-
24 lowing new subsection:

25 “(f) INFLATION ADJUSTMENT.—

1 “(1) IN GENERAL.—In the case of a calendar
 2 year beginning after 2018, the \$120,000 amount in
 3 paragraph (2) of subsection (a) and the dollar
 4 amounts in subsection (c) shall each be increased by
 5 an amount equal to—

6 “(A) such dollar amount, multiplied by

7 “(B) the cost-of-living adjustment deter-
 8 mined under section 1(f)(3) for the calendar
 9 year in which the taxable year begins, deter-
 10 mined by substituting ‘calendar year 2017’ for
 11 ‘calendar year 1992’ in subparagraph (B)
 12 thereof.

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

17 (d) CREDIT TO BE REFUNDABLE.—

18 (1) IN GENERAL.—The Internal Revenue Code
 19 of 1986 is amended—

20 (A) by redesignating section 21 as section
 21 36C; and

22 (B) by moving section 36C, as so redesign-
 23 ated, from subpart A of part IV of subchapter
 24 A of chapter 1 to the location immediately be-

1 fore section 37 in subpart C of part IV of sub-
2 chapter A of chapter 1.

3 (2) TECHNICAL AMENDMENTS.—

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

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

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

14 (D) Subparagraph (C) of section 129(a)(2)
15 of such Code is amended by striking “section
16 21(e)” and inserting “section 36C(e)”.

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

20 (F) Paragraph (1) of section 129(e) of
21 such Code is amended by striking “section
22 21(b)(2)” and inserting “section 36C(b)(2)”.

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

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

4 (I) Subparagraph (L) of section
5 6213(g)(2) of such Code is amended by striking
6 “section 21, 24, or 32,” and inserting “section
7 24, 32, or 36C,”.

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

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

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

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

19 (e) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2017.

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