

116TH CONGRESS
1ST SESSION

S. 931

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 SENATE OF THE UNITED STATES

MARCH 28, 2019

Mr. CASEY (for himself, Mrs. MURRAY, Mr. WYDEN, Mr. BROWN, Mr. CARDIN, Ms. CANTWELL, Mrs. GILLIBRAND, Ms. HASSAN, Ms. HIRONO, Mr. MENENDEZ, Ms. STABENOW, Ms. CORTEZ MASTO, Ms. KLOBUCHAR, Mr. VAN HOLLEN, Mr. BLUMENTHAL, Mr. BENNET, Mr. WHITEHOUSE, Mr. MERKLEY, Mr. REED, Mr. DURBIN, Mr. LEAHY, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Finance

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 2019”.

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 the Internal Rev-
14 enue Code of 1986 is 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) SPECIAL RULE FOR MARRIED COUPLES FILING
20 SEPARATE RETURNS.—Paragraph (2) of section 21(e) of
21 the Internal Revenue Code of 1986 is amended to read
22 as follows:

23 “(2) MARRIED COUPLES FILING SEPARATE RE-
24 TURNS.—

“(A) IN GENERAL.—In the case of married individuals who do not file a joint return for the taxable year—

“(i) the applicable percentage under subsection (a)(2) and the number of qualifying individuals and aggregate amount excludable under section 129 for purposes of subsection (c) shall be determined with respect to each such individual as if the individual had filed a joint return with the individual’s spouse, and

“(ii) the aggregate amount of the credits allowed under this section for such taxable year with respect to both spouses shall not exceed the amount which would have been allowed under this section if the individuals had filed a joint return.

“(B) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as is necessary to carry out the purposes of this subsection.”.

(d) ADJUSTMENT FOR INFLATION.—Section 21 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subsection (f) as subsection (g); and

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

3 “(f) INFLATION ADJUSTMENT.—

4 “(1) IN GENERAL.—In the case of a calendar
 5 year beginning after 2020, the \$120,000 amount in
 6 paragraph (2) of subsection (a) and the dollar
 7 amounts in subsection (c) shall each be increased by
 8 an amount equal to—

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-
 11 mined under section 1(f)(3) for the calendar
 12 year in which the taxable year begins, deter-
 13 mined by substituting ‘calendar year 2019’ for
 14 ‘calendar year 2016’ in subparagraph (A)(ii)
 15 thereof.

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

20 (e) CREDIT TO BE REFUNDABLE.—

21 (1) IN GENERAL.—The Internal Revenue Code
 22 of 1986 is amended—

23 (A) by redesignating section 21 as section
 24 36C; and

1 (B) by moving section 36C, as so redesign-
 2 nated, from subpart A of part IV of subchapter
 3 A of chapter 1 to the location immediately be-
 4 fore section 37 in subpart C of part IV of sub-
 5 chapter A of chapter 1.

6 (2) TECHNICAL AMENDMENTS.—

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

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

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

17 (D) Subparagraph (C) of section 129(a)(2)
 18 of such Code is amended by striking “section
 19 21(e)” and inserting “section 36C(e)”.

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

23 (F) Paragraph (1) of section 129(e) of
 24 such Code is amended by striking “section
 25 21(b)(2)” and inserting “section 36C(b)(2)”.

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

4 (H) Subparagraph (H) of section
 5 6213(g)(2) of such Code is amended by striking
 6 “section 21” and inserting “section 36C”.

7 (I) Subparagraph (L) of section
 8 6213(g)(2) of such Code is amended by striking
 9 “section 21, 24, or 32,” and inserting “section
 10 24, 32, or 36C,”.

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

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

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

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

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2019.

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