

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.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2013

Mr. ISRAEL introduced the following bill; which was referred to the Committee on Ways and Means

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## 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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