

114TH CONGRESS
1ST SESSION

H. R. 1492

To amend the Internal Revenue Code of 1986 to increase and improve the credit for dependent care expenses and to provide a credit for education of employees of child care centers.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2015

Ms. EDWARDS (for herself, Ms. DELAURO, Mr. CONYERS, Mr. BLUMENAUER, Mrs. BUSTOS, Mrs. CAPPS, Ms. CASTOR of Florida, Mr. DELANEY, Ms. DELBENE, Ms. FUDGE, Mr. HASTINGS, Ms. MCCOLLUM, Mr. McDERMOTT, Mr. NADLER, Ms. NORTON, Mr. PERLMUTTER, Ms. PINGREE, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Ms. SPEIER, and Ms. WASSERMAN SCHULTZ) 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 increase and improve the credit for dependent care expenses and to provide a credit for education of employees of child care centers.

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”.

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

2 (a) CREDIT MADE REFUNDABLE.—

3 (1) IN GENERAL.—The Internal Revenue Code
4 of 1986 is amended by redesignating section 21 as
5 section 36C and by moving such section after section
6 36B.

7 (2) CREDIT NOT ALLOWED FOR SERVICES PRO-
8 VIDED OUTSIDE THE UNITED STATES.—Section
9 36C(b)(2)(A) of such Code, as redesignated by this
10 section, is amended by adding at the end the fol-
11 lowing: “Such term shall not include any amount
12 paid for services provided outside the United
13 States.”.

14 (3) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

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

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

15 (J) Section 6213(g)(2)(L) of such Code is
16 amended by striking “section 21, 24, 32, or
17 6428” and inserting “section 24, 32, 36C, or
18 6428”.

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

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

1 (M) The table of sections for subpart C of
2 part IV of subchapter A of chapter 1 of such
3 Code is amended by inserting after the item re-
4 lating to section 36B the following new item:

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

5 (b) INCREASE IN DOLLAR LIMITATION.—Section
6 36C(c) of such Code, as redesignated by this section, is
7 amended—

8 (1) by striking “\$3,000” in paragraph (1) and
9 inserting “\$8,000”, and

10 (2) by striking “\$6,000” in paragraph (2) and
11 inserting “twice the dollar amount in effect under
12 paragraph (1)”.

13 (c) CREDIT ALLOWED FOR 50 PERCENT OF QUALI-
14 FIED EXPENSES.—Section 36C(a)(2) of such Code, as re-
15 designated by this section, is amended by striking “35 per-
16 cent” and all that follows and inserting “50 percent.”.

17 (d) INCOME LIMITATION.—Section 36C(a) of such
18 Code, as redesignated by this section, is amended by add-
19 ing at the end the following new paragraph:

20 “(3) INCOME LIMITATION.—No credit shall be
21 allowed under paragraph (1) with respect to any tax-
22 payer for any taxable year if the taxpayer’s adjusted
23 gross income for such taxable year exceeds
24 \$200,000.”.

1 (e) INFLATION ADJUSTMENT OF DOLLAR AND IN-
2 COME LIMITATIONS.—Section 36C(e) of such Code, as re-
3 designated by this section, is amended by adding at the
4 end the following new paragraph:

5 “(11) INFLATION ADJUSTMENT.—

6 “(A) IN GENERAL.—In the case of any
7 taxable year beginning in a calendar year after
8 2015, the \$8,000 amount in subsection (e)(1)
9 and the \$200,000 amount in subsection (a)(3)
10 shall each be increased by an amount equal
11 to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-
14 termined under section 1(f)(3) for the cal-
15 endar year in which the taxable year be-
16 gins, determined by substituting ‘calendar
17 year 2014’ for ‘calendar year 1992’ in sub-
18 paragraph (B) thereof.

19 “(B) ROUNDING.—Any increase deter-
20 mined under subparagraph (A) shall be rounded
21 to the nearest multiple of \$100.”.

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2014.

1 **SEC. 3. CREDIT FOR EDUCATION OF EMPLOYEES OF CHILD**
 2 **CARE CENTERS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
 4 chapter A of chapter 1 of the Internal Revenue Code of
 5 1986 is amended by adding at the end the following new
 6 section:

7 **“SEC. 45S. CHILD CARE CENTER EDUCATION CREDIT.**

8 “(a) IN GENERAL.—For the purposes of section 38,
 9 the child care center education credit determined under
 10 this section for the taxable year is an amount equal to
 11 50 percent of so much of the child care educational ex-
 12 penses paid or incurred by the taxpayer with respect to
 13 the operation of a qualified child care center during the
 14 taxable year.

15 “(b) LIMITATION.—The child care educational ex-
 16 penses taken into account under subsection (a) with re-
 17 spect to any eligible employee of the taxpayer for any tax-
 18 able year shall not exceed \$1,000.

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) CHILD CARE EDUCATIONAL EXPENSES.—

21 “(A) IN GENERAL.—The term ‘child care
 22 educational expenses’ means, with respect to
 23 any eligible employee, expenses paid or incurred
 24 by the taxpayer to an eligible educational insti-
 25 tution (as defined in section 25A(f)(2)) for

1 classes related to early childhood education or
2 development or child care certification.

3 “(B) ELIGIBLE EMPLOYEE.—The term ‘el-
4 igible employee’ means any employee of the tax-
5 payer whose primary job function is providing
6 care to children in a qualified child care center.

7 “(2) QUALIFIED CHILD CARE CENTER.—The
8 term ‘qualified child care center’ means any depend-
9 ent care center (as defined in section 36C(b)(2)(D))
10 located in the United States which meets the re-
11 quirements of section 36C(b)(2)(C)(i).

12 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
13 shall be allowed under this chapter for the portion of the
14 expenses otherwise allowable as a deduction that are taken
15 into account in determining the credit under this section
16 for the taxable year.”.

17 (b) CREDIT TO BE PART OF GENERAL BUSINESS
18 CREDIT.—Subsection (b) of section 38 of such Code is
19 amended by striking “plus” at the end of paragraph (35),
20 by striking the period at the end of paragraph (36) and
21 inserting “, plus”, and by adding at the end the following
22 new paragraph:

23 “(37) the child care center education credit de-
24 termined under section 45S(a).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 of such Code is amended by adding at the end the fol-
4 lowing new item:

“Sec. 45S. Child care center education credit.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to expenses paid or incurred after
7 the date of the enactment of this Act, in taxable years
8 ending after such date.

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