

115TH CONGRESS  
1ST SESSION

# H. R. 2238

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 HOUSE OF REPRESENTATIVES

APRIL 28, 2017

Mrs. DEMINGS 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 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 Improvement Act of 2017”.

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 50 percent reduced (but not below 20 per-  
4 cent) by 1 percentage point for each \$2,000 (or frac-  
5 tion thereof) by which the taxpayer’s adjusted gross  
6 income for the taxable year exceeds \$126,000.”.

7           (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-  
8 ITABLE.—Subsection (e) of section 21 of such Code is  
9 amended—

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

12           (2) in paragraph (2), by striking “\$6,000” and  
13 inserting “\$16,000”.

14           (c) ADJUSTMENT FOR INFLATION.—Section 21 of  
15 such Code is amended—

16           (1) by redesignating subsection (f) as sub-  
17 section (g); and

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

20           “(f) INFLATION ADJUSTMENT.—

21           “(1) IN GENERAL.—In the case of a calendar  
22 year beginning after 2018, the \$126,000 amount in  
23 paragraph (2) of subsection (a) and the dollar  
24 amounts in subsection (c) shall each be increased by  
25 an amount equal to—

1 “(A) such dollar amount, multiplied by

2 “(B) the cost-of-living adjustment deter-  
3 mined under section 1(f)(3) for the calendar  
4 year in which the taxable year begins, deter-  
5 mined by substituting ‘calendar year 2017’ for  
6 ‘calendar year 1992’ in subparagraph (B)  
7 thereof.

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

12 (d) CREDIT TO BE REFUNDABLE.—

13 (1) IN GENERAL.—The Internal Revenue Code  
14 of 1986 is amended—

15 (A) by redesignating section 21 as section  
16 36C; and

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

22 (2) TECHNICAL AMENDMENTS.—

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

1           (B) Paragraph (6) of section 35(g) of such  
2 Code is amended by striking “21(e)” and in-  
3 sserting “36C(e)”.

4           (C) Paragraph (1) of section 36C(a) of  
5 such Code (as redesignated by paragraph (1))  
6 is amended by striking “this chapter” and in-  
7 sserting “this subtitle”.

8           (D) Subparagraph (C) of section 129(a)(2)  
9 of such Code is amended by striking “section  
10 21(e)” and inserting “section 36C(e)”.

11          (E) Paragraph (2) of section 129(b) of  
12 such Code is amended by striking “section  
13 21(d)(2)” and inserting “section 36C(d)(2)”.

14          (F) Paragraph (1) of section 129(e) of  
15 such Code is amended by striking “section  
16 21(b)(2)” and inserting “section 36C(b)(2)”.

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

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

23          (I) Subparagraph (L) of section  
24 6213(g)(2) of such Code is amended by striking

1 “section 21, 24, or 32,” and inserting “section  
2 24, 32, or 36C,”.

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

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

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

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

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

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