

116TH CONGRESS  
1ST SESSION

# H. R. 1967

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

MARCH 28, 2019

Mr. DANNY K. DAVIS of Illinois (for himself and Ms. DELBENE) 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 Enhancement Act of 2019”.

6 **SEC. 2. ENHANCEMENT OF CHILD AND DEPENDENT CARE**  
7 **TAX CREDIT.**

8 (a) IN GENERAL.—Section 21(a)(2) of the Internal  
9 Revenue Code of 1986 is amended to read 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 \$120,000.”.

7           (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-  
8 ITABLE.—Section 21(c) of such Code is amended—

9           (1) in paragraph (1), by striking “\$3,000” and  
10 inserting “\$6,000”, and

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

13           (c) SPECIAL RULE FOR MARRIED COUPLES FILING  
14 SEPARATE RETURNS.—Section 21(e)(2) of such Code is  
15 amended to read as follows:

16           “(2) MARRIED COUPLES FILING SEPARATE RE-  
17 TURNS.—

18           “(A) IN GENERAL.—In the case of a mar-  
19 ried individual who files a separate return for  
20 a taxable year—

21           “(i) the limits under subsections (a)  
22 and (c) shall be applied to the individual  
23 and the individual’s spouse as if they had  
24 filed a joint return, and

1           “(ii) the aggregate amount of the  
2           credit allowed under this section for such  
3           taxable year to both spouses shall not ex-  
4           ceed the amount that would have been al-  
5           lowed if the spouses had filed a joint re-  
6           turn.

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

11          (d) ADJUSTMENT FOR INFLATION.—Section 21 of  
12          such Code is amended—

13               (1) by redesignating subsection (f) as sub-  
14               section (g), and

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

17               “(f) INFLATION ADJUSTMENT.—

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

23                               “(A) such dollar amount, multiplied by

24                               “(B) the cost-of-living adjustment deter-  
25                       mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, deter-  
2 mined by substituting ‘calendar year 2019’ for  
3 ‘calendar year 2016’ in subparagraph (A)(ii)  
4 thereof.

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

9 (e) CREDIT TO BE REFUNDABLE.—

10 (1) IN GENERAL.—The Internal Revenue Code  
11 of 1986 is amended—

12 (A) by redesignating section 21 as section  
13 36C, and

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

19 (2) TECHNICAL AMENDMENT.—

20 (A) Section 23(f)(1) of the Internal Rev-  
21 enue Code of 1986 is amended by striking  
22 “21(e)” and inserting “36C(e)”.

23 (B) Section 35(g)(6) of such Code is  
24 amended by striking “21(e)” and inserting  
25 “36C(e)”.

1           (C) Section 36C(a)(1) of such Code (as re-  
2 designated by paragraph (1)) is amended by  
3 striking “this chapter” and inserting “this sub-  
4 title”.

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

8           (E) Section 129(b)(2) of such Code is  
9 amended by striking “section 21(d)(2)” and in-  
10serting “section 36C(d)(2)”.

11          (F) Section 129(e)(1) of such Code is  
12 amended by striking “section 21(b)(2)” and in-  
13serting “section 36C(b)(2)”.

14          (G) Section 213(e) of such Code is amend-  
15ed by striking “section 21” and inserting “sec-  
16tion 36C”.

17          (H) Section 6213(g)(2)(H) of such Code is  
18 amended by striking “section 21” and inserting  
19 “section 36C”.

20          (I) Section 6213(g)(2)(L) of such Code is  
21 amended by striking “section 21, 24, or 32”  
22 and inserting “section 24, 32, or 36C”.

23          (J) Section 1324(b)(2) of title 31, United  
24 States Code, is amended by inserting “36C,”  
25 after “36B,”.

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

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

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

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

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