

113TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to enhance the dependent care tax credit, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mrs. SHAHEEN (for herself, Mrs. BOXER, Mrs. MURRAY, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to enhance the dependent care tax credit, and for other purposes.

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 “Helping Working Fam-  
5 ilies Afford Child Care Act”.

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

8 (a) INCREASE IN DEPENDENT CARE TAX CREDIT.—

9 (1) INCREASE IN INCOMES ELIGIBLE FOR FULL  
10 CREDIT.—Paragraph (2) of section 21(a) of the In-

1        ternal Revenue Code of 1986 is amended to read as  
2        follows:

3            “(2) APPLICABLE PERCENTAGE DEFINED.—For  
4        purposes of paragraph (1), the term ‘applicable per-  
5        centage’ means 20 percent reduced (but not below  
6        zero) by 1 percentage point for each \$5,000 (or frac-  
7        tion thereof) by which the taxpayer’s adjusted gross  
8        income for the taxable year exceeds \$200,000.”.

9            (2) INCREASE IN DOLLAR LIMIT ON AMOUNT  
10        CREDITABLE.—Subsection (c) of section 21 of the  
11        Internal Revenue Code of 1986 is amended—

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

14            (B) by striking “\$6,000” in paragraph (2)  
15        and inserting “\$16,000”.

16            (3) INFLATION ADJUSTMENT.—Section 21 of  
17        the Internal Revenue Code of 1986 is amended—

18            (A) by redesignating subsection (f) as sub-  
19        section (g), and

20            (B) by inserting after subsection (e) the  
21        following new subsection:

22        “(f) INFLATION ADJUSTMENT.—

23            “(1) IN GENERAL.—In the case of any taxable  
24        year beginning after 2015, the \$200,000 amount in  
25        subsection (a)(2) and each of the dollar amounts in

1 subsection (c) shall each be increased by an amount  
2 equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-  
5 mined under section 1(f)(3) for the calendar  
6 year in which the taxable year begins, by sub-  
7 stituting ‘2014’ for ‘1992’ in subparagraph (B)  
8 thereof.

9 “(2) ROUNDING.—The amount of any increase  
10 under paragraph (1) shall be rounded—

11 “(A) for purposes of the dollar amount in  
12 subsection (a)(2), the nearest multiple of  
13 \$1,000, and

14 “(B) for purposes of the dollar amounts in  
15 subsection (c), the nearest multiple of \$100.”.

16 (b) DEPENDENT CARE TAX CREDIT TO BE REFUND-  
17 ABLE.—

18 (1) IN GENERAL.—The Internal Revenue Code  
19 of 1986 is amended—

20 (A) by redesignating section 21, as amend-  
21 ed by subsection (a), as section 36C, and

22 (B) by moving section 36C, as so redesign-  
23 nated, from subpart A of part IV of subchapter  
24 A of chapter 1 to the location immediately be-

1 fore section 37 in subpart C of part IV of sub-  
2 chapter A of chapter 1.

3 (2) TECHNICAL AMENDMENTS.—

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

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

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

14 (D) Subparagraph (C) of section 129(a)(2)  
15 of such Code is amended by striking “section  
16 21(e)” and inserting “section 36C(e)”.

17 (E) Paragraph (2) of section 129(b) of  
18 such Code is amended by striking “section  
19 21(d)(2)” and inserting “section 36C(d)(2)”.

20 (F) Paragraph (1) of section 129(e) of  
21 such Code is amended by striking “section  
22 21(b)(2)” and inserting “section 36C(b)(2)”.

23 (G) Subsection (e) of section 213 of such  
24 Code is amended by striking “section 21” and  
25 inserting “section 36C”.

1           (H) Subparagraph (A) of section  
2           6211(b)(4) of such Code is amended by insert-  
3           ing “36C,” after “36B,”.

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

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

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

14          (L) 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          (M) The table of sections for subpart A of  
20          such part IV of such Code is amended by strik-  
21          ing the item relating to section 21.

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