

115TH CONGRESS  
1ST SESSION

# S. 470

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 SENATE OF THE UNITED STATES

FEBRUARY 28, 2017

Mr. CASEY (for himself, Mr. WYDEN, Mr. BROWN, Ms. STABENOW, Mrs. MURRAY, Mr. CARDIN, and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Finance

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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 2017”.

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

3 (a) **IN GENERAL.**—Paragraph (2) of section 21(a) of  
4 the Internal Revenue Code of 1986 is amended to read  
5 as follows:

6 “(2) **APPLICABLE PERCENTAGE.**—For purposes  
7 of paragraph (1), the term ‘applicable percentage’  
8 means 50 percent reduced (but not below 20 per-  
9 cent) by 1 percentage point for each \$2,000 (or frac-  
10 tion thereof) by which the taxpayer’s adjusted gross  
11 income for the taxable year exceeds \$120,000.”.

12 (b) **INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-**  
13 **ITABLE.**—Subsection (c) of section 21 of such Code is  
14 amended—

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

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

19 (c) **ADJUSTMENT FOR INFLATION.**—Section 21 of  
20 such Code is amended—

21 (1) by redesignating subsection (f) as sub-  
22 section (g), and

23 (2) by inserting after subsection (e) the fol-  
24 lowing new subsection:

25 “(f) **INFLATION ADJUSTMENT.**—

1           “(1) IN GENERAL.—In the case of a calendar  
2 year beginning after 2018, the \$120,000 amount in  
3 paragraph (2) of subsection (a) and the dollar  
4 amounts in subsection (c) shall each be increased by  
5 an amount equal to—

6                   “(A) such dollar amount, multiplied by

7                   “(B) the cost-of-living adjustment deter-  
8 mined under section 1(f)(3) for the calendar  
9 year in which the taxable year begins, deter-  
10 mined by substituting ‘calendar year 2017’ for  
11 ‘calendar year 1992’ in subparagraph (B)  
12 thereof.

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

17 (d) CREDIT TO BE REFUNDABLE.—

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

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

22                   (B) by moving section 36C, as so redesi-  
23 gnated, 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 (H) of section  
2           6213(g)(2) of such Code is amended by striking  
3           “section 21” and inserting “section 36C”.

4           (I) Subparagraph (L) of section  
5           6213(g)(2) of such Code is amended by striking  
6           “section 21, 24, or 32,” and inserting “section  
7           24, 32, or 36C.”.

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

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

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

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

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

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