

116TH CONGRESS
1ST SESSION

H. R. 3903

To amend the Internal Revenue Code of 1986 to increase the dollar limitation on the exclusion for employer-provided dependent care assistance.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2019

Ms. DELAURO 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 the dollar limitation on the exclusion for employer-provided dependent care assistance.

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 Flex Spend-
5 ing Act of 2019”.

6 **SEC. 2. INCREASE IN DOLLAR LIMITATION ON EXCLUSION**

7 **FOR EMPLOYER-PROVIDED DEPENDENT**
8 **CARE ASSISTANCE.**

9 (a) IN GENERAL.—Subparagraph (A) of section
10 129(a)(2) of the Internal Revenue Code of 1986 is amend-

1 ed by striking “shall not exceed” and all that follows and
2 inserting the following: “shall not exceed the greater of—

3 “(i) \$5,000, or

4 “(ii) \$10,000, reduced (but not below
5 zero) by 5 cents for each dollar (or fraction
6 thereof) by which the employee’s earned in-
7 come for the taxable year exceeds \$50,000.

8 In the case of a separate return by a married
9 individual, the amount determined under the
10 preceding sentence shall be reduced by one-
11 half.”.

12 (b) INFLATION ADJUSTMENT.—Paragraph (2) of sec-
13 tion 129(a) of the Internal Revenue Code of 1986 is
14 amended by adding at the end the following new subpara-
15 graph:

16 “(D) INFLATION ADJUSTMENT.—In the
17 case of any taxable year beginning in a calendar
18 year after 2020, the \$5,000 and \$10,000
19 amounts contained in subparagraph (A) shall
20 each be increased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-
25 gins, determined by substituting ‘calendar

1 year 2019’ for ‘calendar year 2016’ in sub-
2 paragraph (A)(ii) thereof.

3 Any increase determined under the preceding
4 sentence shall be rounded to the nearest mul-
5 tiple of \$50.’’.

6 (c) EMPLOYER SAFE HARBOR FOR REPORTING.—

7 The Secretary of the Treasury (or the Secretary’s dele-
8 gate) shall promulgate regulations or other guidance to
9 assist an employer in determining, for purposes of section
10 3401(a)(18) of the Internal Revenue Code of 1986, the
11 amount (if any) in excess of \$5,000 which it is reasonable
12 to believe an employee will be able to exclude under section
13 129 of such Code.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2019.

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