

119TH CONGRESS
1ST SESSION

H. R. 5440

To amend the Internal Revenue Code of 1986 to establish a tax credit for small businesses to provide diaper changing stations in restrooms.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2025

Mr. MENENDEZ (for himself, Mr. GOMEZ, Ms. PETTERSEN, Mr. MACKENZIE, Mr. LANDSMAN, Mr. GOLDMAN of New York, Ms. TLAIB, Mrs. FOUSHEE, Mr. SWALWELL, Mr. KENNEDY of New York, Mr. CARSON, and Mr. LAWLER) 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 establish a tax credit for small businesses to provide diaper changing stations in restrooms.

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. DIAPER CHANGING STATION RESTROOM CRED-**
4 **IT.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 is amended by adding at the end the following new
8 section:

1 **“SEC. 45BB. DIAPER CHANGING STATION RESTROOM CRED-**

2 **IT.**

3 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
 4 tion 38, in the case of an eligible small business which
 5 meets the family bathroom requirement of subsection (e)
 6 with respect to a business location of such business, the
 7 diaper changing station restroom credit determined under
 8 this section for the taxable year is an amount equal to
 9 70 percent of the qualified diaper changing station rest-
 10 room expenses paid or incurred by the taxpayer during
 11 such taxable year with respect to such business location.

12 “(b) LIMITATION.—

13 “(1) IN GENERAL.—The credit determined
 14 under subsection (a) with respect to any business lo-
 15 cation of the taxpayer for any taxable year shall not
 16 exceed the excess (if any) of—

17 “(A) \$10,000, over

18 “(B) the aggregate credits determined und
 19 subsection (a) with respect to such business lo-
 20 cation for the 3 preceding taxable years.

21 “(2) BUSINESS LOCATION.—For purposes of
 22 this section—

23 “(A) IN GENERAL.—Except as provided in
 24 subparagraph (B), the term ‘business location’
 25 means each building from which the taxpayer

1 conducts a trade or business (other than the
2 trade or business of being an employee).

3 “(B) SEPARATE TRADES OR BUSINESSES
4 IN SEPARATE PORTIONS OF A BUILDING.—In
5 the case of a taxpayer that conducts separate
6 trades or businesses from different portions of
7 a building, each such portion shall be treated as
8 a separate business location for purposes of this
9 section if the taxpayer meets the requirements
10 of subsection (e) applied by taking into account
11 only such portion of such building.

12 “(c) QUALIFIED DIAPER CHANGING STATION REST-
13 ROOM EXPENSES.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified diaper
15 changing station restroom expenses’ means, with re-
16 spect to any business location, amounts paid or in-
17 curred by the taxpayer for—

18 “(A) any diaper changing station (which
19 may be accessed free of charge) located in any
20 restroom at such business location (including
21 labor costs and other expenses associated with
22 installation of such station),

23 “(B) any diaper dispenser (which may im-
24 pose a charge and which may dispense hygiene
25 products in addition to diapers) located in any

1 restroom at such business location (including
2 labor costs and other expenses associated with
3 installation of such dispenser), and

4 “(C) installation of one or more restrooms
5 which meet the requirements of subsection (e)
6 (or renovation or expansion of one or more ex-
7 isting restrooms into restrooms which meet
8 such requirements).

9 “(d) ELIGIBLE SMALL BUSINESS.—For purposes of
10 this section—

11 “(1) IN GENERAL.—The term ‘eligible small
12 business’ means any taxpayer for any taxable year
13 if—

14 “(A) the business gross receipts of such
15 taxpayer for such taxable year do not exceed
16 \$5,000,000, or

17 “(B) such taxpayer employs less than 100
18 full-time equivalent employees for such taxable
19 year (as determined under section 45R(d)(2)).

20 “(2) BUSINESS GROSS RECEIPTS.—The term
21 ‘business gross receipts’ means gross receipts re-
22 ceived in the course of any trade or business (other
23 than the trade or business of being an employee).

24 “(3) AGGREGATION RULES.—For purposes of
25 this subsection, all persons treated as a single em-

1 ployer under subsection (a) or (b) of section 52, or
2 subsection (n) or (o) of section 414, shall be treated
3 as one person.

4 “(e) FAMILY BATHROOM REQUIREMENT.—The re-
5 quirements of this subsection are met with respect to any
6 business location if both men and women have access at
7 such location to at least 1 public restroom that is equipped
8 with a diaper changing station (which may be accessed
9 free of charge) and a diaper dispenser (which may impose
10 a charge).

11 “(f) DENIAL OF DOUBLE BENEFIT.—In the case of
12 any qualified diaper changing station restroom expenses
13 with respect to which credit is allowed under subsection
14 (a)—

15 “(1) no deduction or credit shall be allowed for,
16 or by reason of, any such expense to the extent of
17 the amount of such credit, and

18 “(2) the basis of any property shall be reduced
19 by the amount of such credit to the extent that such
20 expenses were taken into account in determining
21 such basis.”.

22 (b) CREDIT MADE PART OF GENERAL BUSINESS
23 CREDIT.—Subsection (b) of section 38 of such Code is
24 amended by striking “plus” at the end of paragraph (40),
25 by striking the period at the end of paragraph (41) and

1 inserting “, plus”, and by adding at the end the following
2 new paragraph:

3 “(42) in the case of an eligible small business
4 (as defined in section 45BB), the diaper changing
5 station restroom credit determined under section
6 45BB.”.

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for subpart D of part IV of subchapter A of chapter 1
9 of such Code is amended by adding at the end the fol-
10 lowing new item:

“Sec. 45BB. Diaper changing station restroom credit.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

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