

106TH CONGRESS
1ST SESSION

H. R. 2259

To amend the Internal Revenue Code of 1986 to expand the dependent care credit.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1999

Mrs. JOHNSON of Connecticut (for herself, Mr. SHOWS, Mr. ABERCROMBIE, Mr. HILLIARD, and Mr. SERRANO) 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 expand the dependent care credit.

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 “Tax Relief for Parents
5 Act of 1999”.

6 **SEC. 2. EXPANSION OF DEPENDENT CARE TAX CREDIT.**

7 (a) INCREASE IN AMOUNT OF EMPLOYMENT-RE-
8 LATED EXPENSES ELIGIBLE FOR CREDIT.—

1 (1) IN GENERAL.—Section 21(c) of the Internal
2 Revenue Code of 1986 (relating to dollar limit on
3 amount creditable) is amended—

4 (A) by striking “\$2,400” in paragraph (1)
5 and inserting “\$4,000”, and

6 (B) by striking “\$4,800” in paragraph (2)
7 and inserting “\$8,000”.

8 (2) CONFORMING AMENDMENT.—Paragraph (2)
9 of section 21(d) of such Code is amended—

10 (A) by striking “\$200” in subparagraph

11 (A) and inserting “ $\frac{1}{12}$ of the amount contained
12 in subsection (c)(1)”, and

13 (B) by striking “\$400” in subparagraph

14 (B) and inserting “ $\frac{1}{12}$ of the amount contained
15 in subsection (c)(2)”.

16 (b) INCREASE IN PERCENTAGE OF EMPLOYMENT-
17 RELATED EXPENSES ALLOWED AS CREDIT.—Paragraph
18 (2) of section 21(a) of such Code (defining applicable per-
19 centage) is amended to read as follows:

20 “(2) APPLICABLE PERCENTAGE DEFINED.—For
21 purposes of paragraph (1), the term ‘applicable per-
22 centage’ means 50 percent reduced (but not below
23 zero) by 1 percentage point for each \$1,500, or frac-
24 tion thereof, by which the taxpayers’s adjusted gross
25 income for the taxable year exceeds \$30,000.”.

1 (c) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME
2 PARENTS.—Subsection (e) of section 21 of such Code (re-
3 lating to special rules) is amended by adding at the end
4 the following:

5 “(11) MINIMUM CREDIT ALLOWED FOR STAY-
6 AT-HOME PARENTS.—Notwithstanding subsection
7 (d), in the case of any taxpayer with one or more
8 qualifying individuals described in subsection
9 (b)(1)(A) under the age of 4 at any time during the
10 taxable year, such taxpayer shall be deemed to have
11 employment-related expenses with respect to such
12 qualifying individuals in an amount equal to the
13 greater of—

14 “(A) the amount of employment-related ex-
15 penses incurred for such qualifying individuals
16 for the taxable year (determined under this sec-
17 tion without regard to this paragraph), or

18 “(B) with respect to each such qualifying
19 individual, $\frac{1}{12}$ of the amount contained in sub-
20 section (c)(1) for each month in such taxable
21 year during which such qualifying individual is
22 under the age of 4.”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section apply to taxable years beginning after Decem-
3 ber 31, 1999.

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