

108TH CONGRESS
2^D SESSION

H. R. 4359

AN ACT

To amend the Internal Revenue Code of 1986 to
increase the child tax credit.

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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Child Credit Preserva-
3 tion and Expansion Act of 2004”.

4 **SEC. 2. INCREASE IN CHILD TAX CREDIT.**

5 (a) IN GENERAL.—Subsection (a) of section 24 of the
6 Internal Revenue Code of 1986 (relating to child tax cred-
7 it) is amended to read as follows:

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-
9 lowed as a credit against the tax imposed by this chapter
10 for the taxable year with respect to each qualifying child
11 of the taxpayer an amount equal to \$1,000.”.

12 (b) INCREASE IN PHASEOUT THRESHOLDS.—Para-
13 graph (2) of section 24(b) of such Code is amended to
14 read as follows:

15 “(2) THRESHOLD AMOUNT.—For purposes of
16 paragraph (1), the term ‘threshold amount’ means
17 \$125,000 (\$250,000 in the case of a joint return).”.

18 (c) ACCELERATION OF INCREASE IN REFUNDABLE
19 PORTION OF CREDIT.—Clause (i) of section 24(d)(1)(B)
20 of such Code is amended by striking “(10 percent in the
21 case of taxable years beginning before January 1, 2005)”.

22 (d) COMBAT PAY TAKEN INTO ACCOUNT.—Para-
23 graph (1) of section 24(d) of such Code is amended by
24 adding at the end the following new sentence: “For pur-
25 poses of subparagraph (B), any amount excluded from
26 gross income by reason of section 112 shall be treated as

1 earned income which is taken into account in computing
2 taxable income for the taxable year.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2003.

6 **SEC. 3. REPEAL OF SUNSET.**

7 Title IX of the Economic Growth and Tax Relief Rec-
8 onciliation Act of 2001 shall not apply to the provisions
9 of, and amendments made by, sections 201 and 203 of
10 such Act.

Passed the House of Representatives May 20, 2004.

Attest:

Clerk.