

110TH CONGRESS
2D SESSION

H. R. 5655

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2008

Mr. WEINER 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 and improve the dependent care tax 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. EXPANSION AND IMPROVEMENT OF DEPEND-**
4 **ENT CARE TAX CREDIT.**

5 (a) INCREASE IN DOLLAR LIMIT ON AMOUNT OF EM-
6 PLOYMENT-RELATED EXPENSES WHICH ARE CRED-
7 ITABLE.—Subsection (c) of section 21 of the Internal Rev-
8 enue Code of 1986 is amended—

9 (1) by striking “\$3,000” in paragraph (1) and
10 inserting “\$6,000 (\$9,000 in the case of a taxpayer

1 whose adjusted gross income is less than \$30,000”,
2 and

3 (2) by striking “\$6,000” in paragraph (2) and
4 inserting “\$12,000 (\$18,000 in the case of a tax-
5 payer whose adjusted gross income is less than
6 \$30,000)”.

7 (b) REPEAL OF REQUIREMENT THAT DEPENDENT
8 AND TAXPAYER SHARE THE SAME PLACE OF ABODE.—

9 (1) IN GENERAL.—Paragraph (1) of section
10 21(b) of such Code is amended—

11 (A) by inserting “(determined without re-
12 gard to section 152(c)(1)(B))” after “section
13 152(a)(1)” in subparagraph (A), and

14 (B) by striking “and who has the same
15 principal place of abode as the taxpayer for
16 more than one-half of such taxable year” in
17 subparagraphs (B) and (C).

18 (2) EXPENSES FOR CARE OF DEPENDENT OUT-
19 SIDE OF HOME TAKEN INTO ACCOUNT.—

20 (A) IN GENERAL.—Paragraph (2) of sec-
21 tion 21(b) of such Code is amended by striking
22 subparagraph (B) and by redesignating sub-
23 paragraphs (C) and (D) as subparagraphs (B)
24 and (C), respectively.

1 (B) CONFORMING AMENDMENT.—Subpara-
2 graph (B) of section 21(b)(2) of such Code, as
3 redesignated by subparagraph (A), is amended
4 by striking “a dependent care center” and all
5 that follows and inserting “a dependent care
6 center shall be taken into account only if such
7 center complies with all applicable laws and reg-
8 ulations of a State or unit of local govern-
9 ment.”.

10 (c) RETIREES MADE ELIGIBLE FOR CREDIT.—Sub-
11 section (f) of section 21 of such Code is amended—

12 (1) by striking “The Secretary” and inserting
13 the following:

14 “(1) IN GENERAL.—The Secretary”, and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2) ELIGIBILITY OF RETIREES FOR CREDIT.—
18 The Secretary shall prescribe regulations under
19 which retirees may be eligible for the credit provided
20 under this section. Such regulations may deem such
21 retirees to be gainfully employed and to have earned
22 income, to such extent and in such amounts as the
23 Secretary determines appropriate, for purposes of
24 this section.”.

25 (d) CREDIT MADE REFUNDABLE.—

1 (1) IN GENERAL.—Part IV of subchapter A of
2 chapter 1 of such Code is amended—

3 (A) by redesignating section 36 as section
4 37,

5 (B) by moving section 21, as otherwise
6 amended by this section, after section 35, and

7 (C) by redesignating such section 21 as
8 section 36.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Paragraph (2) of section 1324(b) of
11 title 31, United States Code, is amended by in-
12 serting “or 36” after “section 35”.

13 (B) The table of sections for subpart A of
14 such part is amended by striking the item relat-
15 ing to section 21.

16 (C) The table of sections for subpart C of
17 such part is amended by redesignating the item
18 relating to section 36 as an item relating to sec-
19 tion 37 and by inserting after the item relating
20 to section 35 the following new item:

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

21 (e) CERTAIN PRIOR IMPROVEMENTS TO CREDIT
22 MADE PERMANENT.—Section 901 of the Economic
23 Growth and Tax Relief Reconciliation Act of 2001 shall

1 not apply to the amendments made by section 204 of such
2 Act.

3 (f) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

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