

AMENDMENT TO RULES COMMITTEE PRINT 119–**3****OFFERED BY MR. DAVIS OF ILLINOIS**

Add at the end of part 2 of subtitle A of title XI
the following new section:

1 **SEC. 110117. ENHANCEMENT OF CHILD AND DEPENDENT**
2 **CARE TAX CREDIT.**

3 (a) IN GENERAL.—Section 21(a)(2) is amended to
4 read as follows:

5 “(2) APPLICABLE PERCENTAGE.—

6 “(A) IN GENERAL.—For purposes of para-
7 graph (1), the term ‘applicable percentage’
8 means 50 percent reduced (but not below the
9 phaseout percentage) by 1 percentage point for
10 each \$2,000 (or fraction thereof) by which the
11 taxpayer’s adjusted gross income for the taxable
12 year exceeds \$125,000.

13 “(B) PHASEOUT PERCENTAGE.—For pur-
14 poses of subparagraph (A), the term ‘phaseout
15 percentage’ means 20 percent reduced (but not
16 below zero) by 1 percentage point for each
17 \$2,000 (or fraction thereof) by which the tax-

1 payer’s adjusted gross income for the taxable
2 year exceeds \$400,000.”.

3 (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-
4 ITABLE.—Section 21(c) is amended—

5 (1) in paragraph (1), by striking “\$3,000” and
6 inserting “\$8,000”; and

7 (2) in paragraph (2), by striking “\$6,000” and
8 inserting “\$16,000”.

9 (c) SPECIAL RULE FOR MARRIED COUPLES FILING
10 SEPARATE RETURNS.—Section 21(e)(2) is amended to
11 read as follows:

12 “(2) MARRIED COUPLES FILING SEPARATE RE-
13 TURNS.—

14 “(A) IN GENERAL.—In the case of married
15 individuals who do not file a joint return for the
16 taxable year—

17 “(i) the applicable percentage under
18 subsection (a)(2) and the number of quali-
19 fying individuals and aggregate amount ex-
20 cludable under section 129 for purposes of
21 subsection (c) shall be determined with re-
22 spect to each such individual as if the indi-
23 vidual had filed a joint return with the in-
24 dividual’s spouse, and

1 “(ii) the aggregate amount of the
2 credits allowed under this section for such
3 taxable year with respect to both spouses
4 shall not exceed the amount which would
5 have been allowed under this section if the
6 individuals had filed a joint return.

7 “(B) REGULATIONS.—The Secretary shall
8 prescribe such regulations or other guidance as
9 is necessary to carry out the purposes of this
10 subsection.”.

11 (d) ADJUSTMENT FOR INFLATION.—Section 21 is
12 amended by adding at the end the following new sub-
13 section:

14 “(i) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of a calendar
16 year beginning after 2025, the \$125,000 amount in
17 paragraph (2) of subsection (a) and the dollar
18 amounts in subsection (c) shall each be increased by
19 an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘calendar year 2024’ for

1 ‘calendar year 2016’ in subparagraph (A)(ii)
2 thereof.

3 “(2) ROUNDING.—If any dollar amount, after
4 being increased under paragraph (1), is not a mul-
5 tiple of \$100, such dollar amount shall be rounded
6 to the next lowest multiple of \$100.”.

7 (e) CREDIT MADE REFUNDABLE.—Section 21(g) is
8 amended to read as follows:

9 “(g) CREDIT MADE REFUNDABLE FOR CERTAIN IN-
10 DIVIDUALS.—If the taxpayer (in the case of a joint return,
11 either spouse) has a principal place of abode in the United
12 States (determined as provided in section 32) for more
13 than one-half of the taxable year, the credit allowed under
14 subsection (a) shall be treated as a credit allowed under
15 subpart C (and not allowed under this subpart).”.

16 (f) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2024.

