AMENDMENT TO RULES COMMITTEE PRINT 115-39

OFFERED BY MR. DANNY K. DAVIS OF ILLINOIS

Strike section 1102.

Page 81, after line 13, insert the following:

SEC. 1106. ADOPTION TAX CREDIT.

(a) CLARIFICATION THAT TRIBES CAN CERTIFY AS A CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) is amended by inserting “or Tribal government” after “State” both places it appears.

(b) CREDIT MADE REFUNDABLE.—The Internal Revenue Code of 1986, as amended by section 1107, is amended—

(1) by redesignating section 23 as section 36D;

and

(2) by moving section 36D (as so redesignated) from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(c) CONFORMING AMENDMENTS.—
(1) Section 25(e)(1)(C) is amended by striking “sections 23, 25D, and 1400C” and inserting “sections 25D and 1400C”.

(2) Section 36D, as so redesignated, is amended—

(A) in subsection (b)(2)(A), by striking “(determined without regard to subsection (c))”;

(B) by striking subsection (c); and

(C) by redesignating subsections (d) through (i) as subsections (e) through (h), respectively.

(3) Section 137 is amended—

(A) in subsection (d), by striking “section 23(d)” and inserting “section 36D(c)”;

(B) in subsection (e), by striking “subsections (e), (f), and (g) of section 23” and inserting “subsections (d), (e), and (f) of section 36D”.

(4) Section 1016(a)(26) is amended by striking “23(g)” and inserting “36D(f)”.

(5) Section 6211(b)(4)(A) is amended by inserting “36D,” before “168(k)(4)”.
(6) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 23.

(7) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by this Act, is amended by inserting “36D,” after “36C,”.

(8) The table of sections for subpart C of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 36C the following new item:

“Sec. 36D. Adoption expenses.”.

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

SEC. 1107. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows:

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term ‘applicable percentage’ means 50 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year exceeds $120,000.”.

(b) INCREASE IN DOLLAR LIMIT ON AMOUNT CREDITABLE.—Subsection (e) of section 21 is amended—
(1) in paragraph (1), by striking “$3,000” and
inserting “$6,000”; and

(2) in paragraph (2), by striking “$6,000” and
inserting “$12,000”.

(c) Special Rule for Married Couples Filing Separate Returns.—Section 21(e)(2) is amended to
read as follows:

“(2) Married couples filing separate returns.—In the case of a taxpayer that is married
at the close of the taxable year and files as married
filing separate return for such year—

“(A) the credit allowed by this section shall
be determined as if the taxpayer filed a sepa-
rate return for the taxable year, except that

“(B) the limits in subsections (a) and (c)
shall be applied as if the taxpayer was married,
except that the total amount of the credit al-
lowed under this section to both spouses shall
not exceed the amount that would be allowable
if both spouses filed married filing jointly.

The Secretary shall prescribed regulations or other
guidance to carry out this subsection.”.

(d) Adjustment for Inflation.—Section 21 is
amended—
(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

“(f) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of a calendar year beginning after 2018, the $120,000 amount in paragraph (2) of subsection (a) and the dollar amounts in subsection (e) shall each be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2017’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) Rounding.—If any dollar amount, after being increased under paragraph (1), is not a multiple of $100, such dollar amount shall be rounded to the next lowest multiple of $100.”.

(e) CREDIT TO BE REFUNDABLE.—

(1) IN GENERAL.—The Internal Revenue Code of 1986 is amended—
(A) by redesignating section 21 as section 36C; and

(B) by moving section 36C, as so redesignated, from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(2) TECHNICAL AMENDMENTS.—

(A) Paragraph (1) of section 23(f) is amended by striking “21(e)” and inserting “36C(e)”.

(B) Paragraph (6) of section 35(g) is amended by striking “21(e)” and inserting “36C(e)”.

(C) Paragraph (1) of section 36C(a) (as redesignated by paragraph (1)) is amended by striking “this chapter” and inserting “this subtitle”.

(D) Subparagraph (C) of section 129(a)(2) is amended by striking “section 21(e)” and inserting “section 36C(e)”.

(E) Paragraph (2) of section 129(b) is amended by striking “section 21(d)(2)” and inserting “section 36C(d)(2)”. 
(F) Paragraph (1) of section 129(e) is amended by striking “section 21(b)(2)” and inserting “section 36C(b)(2)”.  

(G) Subsection (e) of section 213 is amended by striking “section 21” and inserting “section 36C”.  

(H) Subparagraph (H) of section 6213(g)(2) is amended by striking “section 21” and inserting “section 36C”.  

(I) Subparagraph (L) of section 6213(g)(2) is amended by striking “section 21, 24, or 32,” and inserting “section 24, 32, or 36C,”.  

(J) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “36C,” after “36B,”.  

(K) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following:

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

(L) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.
(f) **Effective Date.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

Strike section 1404.

Strike section 1406.

Page 447, after line 3, insert the following:

**TITLE VI—CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.**

**SEC. 6001. CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.**

(a) **In General.**—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after the amendment made by section 3001(a)) shall be increased by such number of percentage points as is necessary to fully offset the aggregate reduction in Federal revenues which result from the amendments made by sections 1106 and 1107.

(b) **Effective Date.**—Subsection (a) shall apply as if such provision were an amendment made by section 3001(a).