

Amendment offered by Mr. Neal, Mr. Levin, Mr. Lewis of Georgia, Mr. Thompson, Mr. Larson, Mr. Blumenauer, Mr. Pascrell, Mr. Crowley, Mr. Davis, Ms. Sánchez, Mr. Higgins, Ms. Sewell, Ms. DelBene, and Ms. Chu

The amendment would modernize and expand the Earned Income Tax Credit, the Adoption Tax Credit, and the Child and Dependent Care Tax Credit and restore the top tax rate and associated income breakpoint to the pre-Public Law 115-97 levels.

AMENDMENT

OFFERED BY MR. NEAL OF MASSACHUSETTS

In section 101, strike subsections (a) through (e) and insert the following:

For himself and
 Mr. Levin,
 Mr. Lewis,
 Mr. Thompson,
 Mr. Larson,
 Mr. Blumenauer,
 Mr. Pascrell,
 Mr. Crowley,
 Mr. Davis,
 Ms. Sánchez,
 Mr. Higgins,
 Ms. Sewell,
 Ms. DelBene,
 Ms. Chu

1 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS
 2 AND SURVIVING SPOUSES.—Section 1(a) is amended by
 3 striking the table contained therein and inserting the fol-
 4 lowing:

"If taxable income is:	The tax is:
Not over \$19,050	10% of taxable income.
Over \$19,050 but not over \$77,400	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$480,050	\$91,379, plus 35% of the excess over \$400,000.
Over \$480,050	\$119,396.50, plus 39.6% of the excess over \$480,050."

5 (b) HEAD OF HOUSEHOLDS.—Section 1(b) is amend-
 6 ed by striking the table contained therein and inserting
 7 the following:

"If taxable income is:	The tax is:
Not over \$13,600	10% of taxable income.
Over \$13,600 but not over \$51,800	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500	\$5,944, plus 22% of the excess over \$51,800.

"If taxable income is:	The tax is:
Over \$200,000 but not over \$240,025	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$240,025	\$60,698.25, plus 39.6% of the excess over \$240,025."

1 (e) ESTATES AND TRUSTS.—Section 1(e) is amended
 2 by striking the table contained therein and inserting the
 3 following:

"If taxable income is:	The tax is:
Not over \$2,550	10% of taxable income.
Over \$2,550 but not over \$9,150	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,700	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,700	\$3,081.50, plus 39.6% of the excess over \$12,700."

In section 1(g)(1)(A)(iii) of the Internal Revenue Code of 1986, as proposed to be added by section 101(g), strike "37" both places it appears and insert "39.6".

At the end of subtitle C of title I, add the following:

4 **SEC. 128. EARNED INCOME CREDIT.**

5 (a) STRENGTHENING THE EARNED INCOME TAX
 6 CREDIT FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.—
 7

8 (1) CREDIT FOR CERTAIN INDIVIDUALS OVER
 9 AGE 18.—Section 32(c)(1) is amended by adding at
 10 the end the following new subparagraph:

11 "(G) SPECIAL RULE FOR WORKING INDIVIDUALS OVER AGE 18 AND WITHOUT QUALI-
 12

1 (I) by inserting “except as pro-
2 vided in clause (iii)” in clause (i) be-
3 fore “in the case of amounts”,

4 (II) by striking “and” at the end
5 of clause (i), by striking the period at
6 the end of clause (ii) and inserting “,
7 and”, and by adding at the end the
8 following new clause:

9 “(iii) in the case of the \$8,820 and
10 \$10,425 amounts in subsection (b)(2)(A),
11 by substituting ‘calendar year 2012’ for
12 ‘calendar year 2016’ in subparagraph
13 (A)(ii) thereof.”

14 (b) TAXPAYER ELIGIBLE FOR CREDIT FOR INDIVID-
15 UALS WITH NO QUALIFYING CHILDREN IF QUALIFYING
16 CHILDREN DO NOT HAVE VALID SOCIAL SECURITY NUM-
17 BERS.—Section 32(c)(1)(F) is amended to read as follows:

18 “(F) INDIVIDUALS WHO DO NOT INCLUDE
19 TIN, ETC., OF ANY QUALIFYING CHILD.—In the
20 case of any eligible individual who has one or
21 more qualifying children, if—

22 “(i) no qualifying child of such indi-
23 vidual is taken into account under sub-
24 section (b) by reason of paragraph (3)(D),
25 and

1 “(C)(i) during the last 6 months such tax-
2 able year, does not have the same principal
3 place of abode as the individual’s spouse, or

4 “(ii) has a legally binding separation
5 agreement with the individual’s spouse and is
6 not a member of the same household with the
7 individual’s spouse by the end of the taxable
8 year.”.

9 (d) TAXPAYER ELIGIBLE FOR CREDIT WITHOUT
10 QUALIFYING CHILD IF QUALIFYING CHILD CLAIMED BY
11 ANOTHER MEMBER OF FAMILY.—Section 32(c)(1), as
12 amended by subsection (a), is amended by adding at the
13 end the following new subparagraph:

14 “(H) TAXPAYER ELIGIBLE FOR CREDIT
15 WITHOUT QUALIFYING CHILD IF QUALIFYING
16 CHILD CLAIMED BY ANOTHER MEMBER OF FAM-
17 ILY.—

18 “(i) IN GENERAL.—If—

19 “(I) an individual is claimed as a
20 qualifying child by an eligible indi-
21 vidual for any taxable year of such eli-
22 gible individual beginning in a cal-
23 endar year, and

24 “(II) such individual is the quali-
25 fying child of another eligible indi-

1 amount” and inserting the following:

2 “ROUNDING.—If any dollar amount”.

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.

6 **SEC. 129. ADOPTION TAX CREDIT.**

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

11 (b) CREDIT MADE REFUNDABLE.—The Internal
12 Revenue Code of 1986, as amended by section 133, is fur-
13 ther amended—

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

15 and

16 (2) by moving section 36D (as so redesignated)
17 from subpart A of part IV of subchapter A of chap-
18 ter 1 to the location immediately before section 37
19 in subpart C of part IV of subchapter A of chapter
20 1.

21 (c) CONFORMING AMENDMENTS.—

22 (1) Section 25(e)(1)(C) is amended by striking
23 “sections 23, 25D, and 1400C” and inserting “sec-
24 tions 25D and 1400C”.

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

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

“Sec. 36D. Adoption expenses.”

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

11 **SEC. 130. ENHANCEMENT OF CHILD AND DEPENDENT CARE**
12 **TAX CREDIT.**

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

15 “(2) APPLICABLE PERCENTAGE.—For purposes
16 of paragraph (1), the term ‘applicable percentage’
17 means 50 percent reduced (but not below 20 per-
18 cent) by 1 percentage point for each \$2,000 (or frac-
19 tion thereof) by which the taxpayer’s adjusted gross
20 income for the taxable year exceeds \$120,000.”

21 (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-
22 ITABLE.—Subsection (c) of section 21 is amended—

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

1 (2) by inserting after subsection (e) the fol-
2 lowing new subsection:

3 “(f) INFLATION ADJUSTMENT.—

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

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-
11 mined under section 1(f)(3) for the calendar
12 year in which the taxable year begins, deter-
13 mined by substituting ‘calendar year 2017’ for
14 ‘calendar year 2016’ in subparagraph (A)(ii)
15 thereof.

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

20 (e) CREDIT TO BE REFUNDABLE.—

21 (1) IN GENERAL.—The Internal Revenue Code
22 of 1986 is amended—

23 (A) by redesignating section 21 as section
24 36C; and

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

4 (H) Subparagraph (H) of section
5 6213(g)(2) is amended by striking “section 21”
6 and inserting “section 36C”.

7 (I) Subparagraph (L) of section
8 6213(g)(2) is amended by striking “section 21,
9 24, or 32,” and inserting “section 24, 32, or
10 36C,”.

11 (J) Paragraph (2) of section 1324(b) of
12 title 31, United States Code, is amended by in-
13 serting “36C,” after “36B,”.

14 (K) The table of sections for subpart C of
15 part IV of subchapter A of chapter 1 is amend-
16 ed by inserting after the item relating to section
17 36B the following:

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

18 (L) The table of sections for subpart A of
19 such part IV is amended by striking the item
20 relating to section 21.

21 (f) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2018.

