

U.S. SENATOR BOB CASEY



FIGHTING *for* PENNSYLVANIA FAMILIES

Child and Dependent Care Tax Credit Enhancement Act, S. 271

During her confirmation hearing, Treasury Secretary Janet Yellen said, “The availability of child care and paid leave greatly affects the ability of women to participate in the labor force.” The coronavirus pandemic has further demonstrated the need for better accessibility to affordable, quality care, as both central to the U.S. economy and our economic recovery.

Through the expansion of the Child and Dependent Care Tax Credit, working parents will be able to recoup up to half their child care costs.

The Child and Dependent Care Credit Enhancement Act (S. 271) would:

- Make the full Child and Dependent Care Tax Credit available to most working families: This bill would make the **full credit available to families with income under \$125,000**. *The current phase-down of the credit begins at \$15,000 of income.*
- Put more money into a family’s pocket: The bill increases the maximum credit from \$1,050 to **\$4,000 per child (age 0-13), up to \$8,000**.
- Ensure lower income families see a benefit: The bill would **make the credit fully refundable** to make sure those with the greatest need see a benefit.
- Retain the value over time: The bill would **index benefits to inflation** to ensure they keep up with ever-growing costs.
- The credit fully phases out for incomes above \$440,000 a year.

Background:

Wrap around services, like childcare, are essential to both our national economic infrastructure and our Nation’s economic recovery.

Census Bureau and the Federal Reserve found that around one in five (19.6%) of working-age adults said the reason they were not working was because COVID-19 disrupted their childcare arrangements. The report goes on to say that “[o]f those not working, **women ages 25-44 are almost three times as likely as men to not be working due to childcare demands**.” Since September 2020, women’s labor force participation has been at its lowest rate since 1987. The Bureau of Labor Statistics found that women accounted for all jobs lost in December 2020.

Co-Sponsors: Senators Wyden, Murray, Schumer, Menendez, Cardin, Brown, Bennet, Whitehouse, Hassan, Cortez Masto, Stabenow, Cantwell, Smith, Blumenthal, Murphy, Durbin, Hirono, Leahy, Klobuchar, Booker, Reed, Baldwin, Gillibrand, Heinrich, Merkley, Van Hollen, Duckworth, Peters, Luján, Rosen, Padilla, Schatz and King

Endorsing Organizations: NWLC, Child Care Aware, Save the Children Action Network, First Focus, Campaign for Children, First Five Years Fund, Moms Rising, NAEYC, CLASP, ROC United, Zero to Three, and PA Partnerships for Children