

119TH CONGRESS  
1ST SESSION

# H. R. 2282

To reauthorize the Child Care and Development Block Grant Act of 1990,  
to improve access to relative caregivers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 2025

Mr. MOORE of West Virginia (for himself, Mr. HIGGINS of Louisiana, Mr. GILL of Texas, and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Education and Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To reauthorize the Child Care and Development Block Grant Act of 1990, to improve access to relative caregivers, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Respect Parents’  
5 Childcare Choices Act”.

1 **SEC. 2. AMENDMENTS TO THE CHILD CARE AND DEVELOP-**  
2 **MENT BLOCK GRANT ACT OF 1990.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
4 658B of the Child Care and Development Block Grant Act  
5 of 1990 (42 U.S.C. 9858) is amended by striking “this  
6 subchapter” and all that follows and inserting the fol-  
7 lowing: “this subchapter, \$14,000,000,000 for each of fis-  
8 cal years 2026 through 2031.”.

9 (b) APPLICATION AND PLAN.—Section 658E(c) of  
10 the Child Care and Development Block Grant Act of 1990  
11 (42 U.S.C. 9858c(c)) is amended—

12 (1) in paragraph (2)—

13 (A) by striking subparagraph (A) and in-  
14 serting the following:

15 “(A) PARENTAL CHOICE OF PROVIDERS.—  
16 Provide assurances that—

17 “(i) the parent or parents of each eli-  
18 gible child within the State, who receives  
19 or is offered child care services for which  
20 financial assistance is provided under this  
21 subchapter, are given the option to receive  
22 a child care certificate as defined in section  
23 658P(2); and

24 “(ii) all direct services authorized in  
25 this subchapter will be provided via child  
26 care certificates.”;

1 (B) in subparagraph (F)—

2 (i) in clause (i), by inserting “(not in-  
3 cluding in-home child care providers and  
4 relative caregivers)” after “within the  
5 State”; and

6 (ii) in clause (ii), by inserting “(other  
7 than in-home child care providers and rel-  
8 ative caregivers)” after “described in  
9 clause (i)”;

10 (C) in subparagraph (G)—

11 (i) in clause (i)—

12 (I) in the first sentence, by in-  
13 serting “(if any)” after “within the  
14 State”; and

15 (II) in the second sentence, by  
16 inserting “, except that such require-  
17 ments shall not apply to in-home child  
18 care providers and relative caregivers”  
19 before the period; and

20 (ii) in clause (ii)(I), by striking  
21 “(which may include encouraging the pur-  
22 suit of postsecondary education),”;

23 (D) in subparagraph (K)(i)(II)—

24 (i) in item (aa), by inserting “(not in-  
25 cluding in-home child care providers and

1 relative caregivers or their facilities)” be-  
 2 fore the semicolon; and

3 (ii) in item (bb), by inserting “(not in-  
 4 cluding in-home child care providers and  
 5 relative caregivers or their facilities)” after  
 6 “facility in the State”;

7 (E) in subparagraph (M), by adding at the  
 8 end the following flush sentence:

9 “Nothing in this subchapter shall be construed  
 10 to imply that States are required to provide a  
 11 portion of the delivery of direct services through  
 12 grants or contracts.”;

13 (F) in subparagraph (N)—

14 (i) by striking “(N)” and all that pre-  
 15 cedes clause (i) and inserting the following:

16 “(N) PROTECTION FOR WORKING AND  
 17 NEWLY MARRIED PARENTS.—”;

18 (ii) in clause (i)(I)—

19 (I) by striking “85 percent of”;

20 and

21 (II) by striking “of the same  
 22 size” and inserting “with the same  
 23 number of children and parents as  
 24 prescribed in section 658P(4)”;

25 (iii) in clause (iii)—

1 (I) by inserting before “At the  
2 option” the following:

3 “(I) CESSATION OF WORK,  
4 TRAINING, OR EDUCATION.—”; and

5 (II) by adding at the end the fol-  
6 lowing:

7 “(II) MARRIAGE OF AN UNMAR-  
8 RIED PARENT.—The plan shall certify  
9 that the State will not terminate as-  
10 sistance provided to carry out this  
11 subchapter based on a factor con-  
12 sisting of an unmarried parent’s mar-  
13 riage which causes the family income  
14 to rise above the State median income  
15 for a family with the same number of  
16 children and parents as prescribed in  
17 section 658P(4), without continuing  
18 the assistance for at least 6 months  
19 after such marriage.”;

20 (iv) in clause (iv)—

21 (I) by striking “for children of  
22 parents” and inserting the following:  
23 “for children of—

24 “(I) parents”; and

1 (II) by striking “85 percent of  
2 the State median income for a family  
3 of the same size” and inserting the  
4 following: “the State median income  
5 for a family with the same number of  
6 children and parents as prescribed in  
7 section 658P(4); or

8 “(II) parents who married fol-  
9 lowing the initial determination or  
10 most recent redetermination whose  
11 family income now exceeds the State’s  
12 income limit to qualify for such assist-  
13 ance due to the addition of their  
14 spouse’s income.”; and

15 (G) by adding at the end the following:

16 “(W) NOTIFICATION OF PROGRAM COV-  
17 ERAGE FOR RELATIVE CAREGIVERS.—The plan  
18 shall certify that the State will—

19 “(i) clearly post on the State’s website  
20 described in subparagraph (E)(III); and

21 “(ii) annually notify the parents of  
22 each eligible child receiving a child care  
23 certificate under this subchapter that such  
24 certificates may be used—

1 “(I) as a payment to a relative  
2 caregiver including the child’s grand-  
3 parent, great grandparent, adult sib-  
4 ling, aunt, or uncle; or

5 “(II) as a disbursement to mar-  
6 ried parents in which at least one par-  
7 ent is acting as a relative caregiver to  
8 the parent’s own eligible child, so long  
9 as such families are in compliance  
10 with the income and work require-  
11 ments described in section  
12 658P(4)(C)(iii).

13 “(X) REVIEW OF REQUIREMENTS ON REL-  
14 ATIVE CAREGIVERS.—The plan shall include  
15 certification that the State will (at least once  
16 every 5 years) review State and local regula-  
17 tions, requirements, and licensing standards ap-  
18 plicable to relative caregivers to identify bur-  
19 densome or redundant requirements that are  
20 unnecessary to protect the health and safety of  
21 children and that—

22 “(i) limit or lower the number of rel-  
23 ative caregivers who care for eligible chil-  
24 dren under this subchapter; or

1 “(ii) prevent parents from choosing to  
 2 have a relative caregiver provide childcare  
 3 for their eligible child.”;

4 (2) in paragraph (3)(E)(ii), by striking “70  
 5 percent to fund direct services (provided by the  
 6 State) in accordance with paragraph (2)(A)” and in-  
 7 serting “90 percent to fund direct services (provided  
 8 by the State) via child care certificates”; and

9 (3) in paragraph (4)—

10 (A) by redesignating subparagraph (C) as  
 11 subparagraph (D); and

12 (B) by inserting after subparagraph (B),  
 13 the following:

14 “(C) PAYMENT RATE.—The State plan  
 15 shall certify that the payment rate to relative  
 16 caregivers is not less than 75 percent of the  
 17 rate for family child care providers for children  
 18 of the same age and in the same geographic lo-  
 19 cation.”.

20 (c) LIMITATIONS.—Section 658F(b)(2) of the Child  
 21 Care and Development Block Grant Act of 1990 (42  
 22 U.S.C. 9858d(b)(2)) is amended—

23 (1) in the paragraph heading, by striking “SEC-  
 24 TARIAN” and inserting “RELIGIOUS”; and

1           (2) by striking “sectarian” and inserting “reli-  
2       gious”.

3       (d) IMPROVING THE QUALITY OF CHILD CARE.—Sec-  
4       tion 658G of the Child Care and Development Block  
5       Grant Act of 1990 (42 U.S.C. 9858e) is amended—

6           (1) in subsection (a), by striking paragraphs  
7       (2) and (3) and inserting the following:

8           “(2) AMOUNT OF RESERVATIONS.—Such State  
9       shall reserve and use—

10           “(A) not more than 9 percent of the funds  
11       described in paragraph (1) each year to carry  
12       out the activities described in paragraph (1);  
13       and

14           “(B) in addition to the funds reserved  
15       under subparagraph (A), 3 percent of the funds  
16       described in paragraph (1) to carry out the ac-  
17       tivities described in paragraph (1) and sub-  
18       section (b)(4), as such activities relate to the  
19       quality of care for infants and toddlers.”; and  
20       (2) in subsection (b)(1)—

21           (A) in subparagraph (F), by adding “and”  
22       at the end;

23           (B) in subparagraph (G), by striking “;  
24       and” and inserting a period; and

25           (C) by striking subparagraph (H).

1 (e) REPORTS.—Section 658K(a) of the Child Care  
2 and Development Block Grant Act of 1990 (42 U.S.C.  
3 9858i(a)) is amended—

4 (1) in paragraph (1)(B)(vii), by striking “home  
5 care” and inserting “in-home care”; and

6 (2) in paragraph (2)(C), by striking “con-  
7 tracts,”.

8 (f) HOTLINE AND WEBSITE.—Section 658L(b)(2)(B)  
9 of the Child Care and Development Block Grant Act of  
10 1990 (42 U.S.C. 9858j(b)(2)(B)) is amended—

11 (1) in clause (iv), by striking “and” at the end;

12 (2) in clause (v), by striking the period and in-  
13 serting “; and”; and

14 (3) by adding at the end the following:

15 “(vi) notice that the parents of eligible  
16 children may use child care certificates—

17 “(I) as a payment to a relative  
18 caregiver including the child’s grand-  
19 parent, great grandparent, adult sib-  
20 ling, aunt, or uncle; or

21 “(II) as a disbursement to mar-  
22 ried parents in which at least one par-  
23 ent is acting as a relative caregiver to  
24 the parent’s own eligible child, so long  
25 as such families are in compliance

1 with the income and work require-  
2 ments described in section  
3 658P(4)(C)(iii).”.

4 (g) SECTARIAN ACTIVITIES.—Section 658M of the  
5 Child Care and Development Block Grant Act of 1990 (42  
6 U.S.C. 9858k) is amended—

7 (1) by striking subsection (a); and

8 (2) by striking “(b) TUITION.—With” and in-  
9 serting “With”.

10 (h) NONDISCRIMINATION.—Section 658N of the  
11 Child Care and Development Block Grant Act of 1990 (42  
12 U.S.C. 9858l) is amended —

13 (1) in subsection (a)—

14 (A) in paragraph (1)(B), by striking “sec-  
15 tarian” and inserting “religious”;

16 (B) in paragraph (3)—

17 (i) by striking subparagraph (A); and

18 (ii) by redesignating subparagraphs

19 (B) and (C) as subparagraphs (A) and

20 (B), respectively; and

21 (C) by striking paragraph (4) and insert-

22 ing the following:

23 “(4) PROTECTIONS FOR RELIGIOUS CHILD CARE

24 PROVIDERS.—

1           “(A) IN GENERAL.—A State receiving  
2 funds under this subchapter shall ensure that—

3           “(i) in licensing child care providers,  
4 the State shall not impose any requirement  
5 on a religious organization that results in  
6 the imposition of a greater burden on the  
7 religious organization when compared to  
8 the related burden imposed on any private  
9 nonreligious organization;

10          “(ii) in licensing child care providers,  
11 the State shall not impose a requirement  
12 on a religious organization to provide or  
13 comply with any document, agreement,  
14 covenant, memorandum of understanding,  
15 policy, or regulation, or to provide an as-  
16 surance or notice, unless the State also im-  
17 poses that requirement on nonreligious or-  
18 ganizations; and

19          “(iii) a religious organization receiving  
20 funds under this subchapter that provides  
21 child care services shall retain its inde-  
22 pendence from State and local govern-  
23 ments, including retaining the autonomy,  
24 right of expression, religious character or  
25 affiliation, authority over internal govern-

1           ance, or other aspects of the independence  
2           of such organization.

3           “(B) REQUIREMENTS.—A religious organi-  
4           zation receiving funds under this subchapter  
5           that provides child care services may—

6                   “(i) retain religious terms in the orga-  
7                   nization’s name;

8                   “(ii) continue to carry out the organi-  
9                   zation’s mission, including the definition,  
10                  development, practice, and expression of its  
11                  religious beliefs;

12                  “(iii) use the organization’s facilities  
13                  to provide a program without concealing,  
14                  removing, or altering religious art, icons,  
15                  scriptures, or other symbols from the fa-  
16                  cilities;

17                  “(iv) select, promote, or dismiss the  
18                  members of the organization’s governing  
19                  body, and the organization’s employees, on  
20                  the basis of their acceptance of or adher-  
21                  ence to the religious tenets of the organiza-  
22                  tion; and

23                  “(v) include religious references in the  
24                  organization’s mission statement and other  
25                  chartering or governing documents.

“(C) RELIGIOUS EXEMPTIONS.—A religious organization’s exemptions, as provided in title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) (including exemptions from prohibitions of employment discrimination in section 702(a) of that Act (42 U.S.C. 2000e–1(a))), title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), the Religious Freedom Restoration Act of 1993 (42 U.S.C. 2000bb et seq.), the Religious Land Use and Institutionalized Persons Act of 2000 (42 U.S.C. 2000cc et seq.), or any other provision in law providing an exemption for a religious organization, shall not be waived because of the religious organization’s receipt of funds under this subchapter.

“(D) PRIVATE RIGHT OF ACTION.—Any religious organization that alleges a violation of its rights under this paragraph and seeks to enforce such rights—

“(i) may bring an action in a court of competent jurisdiction and assert that vio-

1                   lation as a claim, or assert that violation  
2                   as a defense in a civil action; and

3                   “(ii) may obtain appropriate relief, in-  
4                   cluding attorney’s fees, against an entity  
5                   or agency that committed such violation.”;  
6                   and

7                   (2) in subsection (b), by striking “sectarian”  
8                   each place it appears and inserting “religious”.

9                   (i) DEFINITIONS.—Section 658P of the Child Care  
10                  and Development Block Grant Act of 1990 (42 U.S.C.  
11                  9858n) is amended—

12                  (1) by striking paragraph (2) and inserting the  
13                  following:

14                  “(2) CHILD CARE CERTIFICATE.—

15                         “(A) IN GENERAL.—The term ‘child care  
16                         certificate’ means a certificate (that may be a  
17                         check or other disbursement) that is issued by  
18                         a State or local government under this sub-  
19                         chapter directly to a parent who may use such  
20                         certificate—

21                                 “(i) as payment for child care serv-  
22                                 ices;

23                                 “(ii) as a deposit for child care serv-  
24                                 ices if such a deposit is required of other  
25                                 children being cared for by the provider; or

1 “(iii) as a disbursement to married  
2 parents described in paragraph (4)(C)(iii)  
3 in which at least one parent is acting as a  
4 relative caregiver to the parent’s own child,  
5 so long as such disbursement is not less  
6 than the payment rate set for other rel-  
7 ative caregivers for children of the same  
8 age and in the same geographic location.

9 “(B) RULE OF CONSTRUCTION.—Nothing  
10 in this subchapter shall be construed to allow  
11 State or Federal agencies to preclude the use of  
12 such certificates for child care services provided  
13 by a religious child care provider if such serv-  
14 ices are freely chosen by the parent. Such cer-  
15 tificates may be expended by providers for any  
16 religious purpose or activity that is a part of  
17 the child care services, including religious wor-  
18 ship and instruction.

19 “(C) NOT GRANTS OR CONTRACTS.—For  
20 purposes of this subchapter, child care certifi-  
21 cates shall not be considered to be grants or  
22 contracts.”;

23 (2) in paragraph (4), by striking subparagraphs  
24 (B) and (C) and inserting the following:

1 “(B) whose family assets do not exceed  
2 \$1,000,000 (as certified by a member of such  
3 family); and

4 “(C) who—

5 “(i) resides in a family that is headed  
6 by an unmarried person who is the child’s  
7 parent, who is working or attending a job  
8 training or educational program, and that  
9 has a family income that does not exceed  
10 85 percent of the State median income for  
11 a family with the same number of children  
12 headed by an unmarried person, based on  
13 the most recent data that is published by  
14 the Bureau of the Census;

15 “(ii) resides in a family that is headed  
16 by two married persons who are the child’s  
17 parents, who are both working or attend-  
18 ing a job training or educational program,  
19 and that has a family income that does not  
20 exceed 70 percent of the State median in-  
21 come for a family with the same number of  
22 children headed by two married persons,  
23 based on the most recent data that is pub-  
24 lished by the Bureau of the Census;

1 “(iii) resides in a family that is head-  
2 ed by two married persons who are the  
3 child’s parents, and who work a combined  
4 total of at least 40 hours per week and  
5 that has one or both parents acting as a  
6 relative caregiver for the child, with a fam-  
7 ily income that does not exceed 70 percent  
8 of the State median income for a family  
9 with the same number of children headed  
10 by two married persons, based on the most  
11 recent data that is published by the Bu-  
12 reau of the Census; or

13 “(iv) is receiving, or needs to receive,  
14 protective services and resides with a par-  
15 ent or parents not described in clause (i),  
16 (ii), or (iii).”;

17 (3) in paragraph (6)—

18 (A) in subparagraph (A), by striking “a  
19 group home child care provider”; and

20 (B) by striking subparagraph (B) and in-  
21 serting the following:

22 “(B) a relative caregiver or in-home child  
23 care provider, if such caregiver or other pro-  
24 vider complies with any applicable requirements

1           that govern child care provided by the type of  
2           provider involved.”;

3           (4) in paragraph (7)—

4                 (A) by striking “one individual who pro-  
5                 vides” and inserting “one or more individuals  
6                 who provide”; and

7                 (B) by striking “as the sole caregiver,  
8                 and”;

9           (5) by redesignating paragraphs (8), (9), (10),  
10          (11), (12), (13), (14), and (15) as paragraphs (9),  
11          (10), (11), (13), (14), (15), (16), and (17), respec-  
12          tively;

13          (6) by inserting after paragraph (7), the fol-  
14          lowing:

15                 “(8) IN-HOME CHILD CARE PROVIDER.—The  
16                 term ‘in-home child care provider’ means an indi-  
17                 vidual who provides child care services (excluding  
18                 services provided by a family child care provider) in  
19                 the child’s own home.”; and

20          (7) by inserting after paragraph (11) (as so re-  
21          designated), the following:

22                 “(12) RELATIVE CAREGIVER.—The term ‘rel-  
23                 ative caregiver’ means a child care provider that is  
24                 18 years of age or older who provides child care  
25                 services only to eligible children who are, by affinity

1 or consanguinity, or by court decree, the child (if the  
 2 parent or parents acting as a relative caregiver are  
 3 married and work a combined total of at least 40  
 4 hours per week), grandchild, great grandchild, sib-  
 5 ling, niece, or nephew of such provider.”.

6 (j) PARENTAL RIGHTS.—Section 658Q of the Child  
 7 Care and Development Block Grant Act of 1990 (42  
 8 U.S.C. 9858o) is amended—

9 (1) by striking “(a) IN GENERAL.—”; and

10 (2) by striking subsection (b).

11 (k) FRAUD PREVENTION AND INCREASED RELATIVE  
 12 CAREGIVING.—The Child Care and Development Block  
 13 Grant Act of 1990 (42 U.S.C. 9857 et seq.) is amended  
 14 by adding at the end the following:

15 **“SEC. 658T. PILOT GRANT PROGRAM TO PREVENT FRAUD.**

16 “(a) IN GENERAL.—Not later than 1 year after the  
 17 date of the enactment of this section, the Secretary shall  
 18 establish and implement a 2-year pilot program to award  
 19 grants to States to increase the State’s ability to—

20 “(1) verify that children receiving assistance  
 21 under this subchapter meet eligibility criteria at the  
 22 time of eligibility determination and redetermination;

23 “(2) prevent payments to ineligible children;

24 “(3) verify the relationship of relative caregivers  
 25 to eligible children;

1           “(4) identify cases of fraud and intentional pro-  
2           gram violation by child care providers; and

3           “(5) recover payments that are the result of  
4           fraud.

5           “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
6           is authorized to be appropriated \$50,000,000 to carry out  
7           this section.

8           **“SEC. 658U. INCREASING RELATIVE CAREGIVING.**

9           “(a) IN GENERAL.—Not later than 1 year after the  
10          date of the enactment of this section, the Secretary shall  
11          submit to Congress and make publicly available a report  
12          on regulations that prevent family members from acting  
13          as relative caregivers to eligible children under this sub-  
14          chapter.

15          “(b) CONTENTS.—The report required under this  
16          section shall include the following:

17                 “(1) A list of the provisions under this sub-  
18                 chapter and other Federal laws that decrease the  
19                 number of relative caregivers.

20                 “(2) A description of State or local government  
21                 policies, regulations, or licensing standards that de-  
22                 crease the number of relative caregivers or that  
23                 place burdensome requirements upon such caregivers  
24                 beyond basic health and safety requirements.

1           “(3) Recommendations and legislative proposals  
2       for Congress, State legislatures, and State lead  
3       agencies to lessen or remove unnecessary, burden-  
4       some regulations that prevent family members (in-  
5       cluding parents, grandparents, adult siblings, aunts,  
6       and uncles) from providing child care for eligible  
7       children under this subchapter.

8       “(c) PILOT PROGRAMS.—Not later than 1 year after  
9       the date of the enactment of this section, the Secretary  
10      shall establish and implement a 2-year pilot program to  
11      award grants to States to carry out innovative State pro-  
12      grams to promote child care provided by relative care-  
13      givers and to increase the number of relative caregivers  
14      providing child care to eligible children under this sub-  
15      chapter.

16      “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
17      is authorized to be appropriated \$50,000,000 to carry out  
18      this section.”.

19      **SEC. 3. REPEAL OF CREDIT FOR EXPENSES FOR HOUSE-**  
20                                   **HOLD AND DEPENDENT CARE SERVICES.**

21      (a) IN GENERAL.—Subpart A of part IV of sub-  
22      chapter A of chapter 1 of the Internal Revenue Code of  
23      1986 is amended by striking section 21.

24      (b) CONFORMING AMENDMENTS.—

1           (1) Section 23(f)(1) of the Internal Revenue  
2 Code of 1986 is amended to read as follows:

3           “(1) RULES FOR MARRIED COUPLES.—

4           “(A) MARRIED COUPLES MUST FILE JOINT  
5 RETURN.—If the taxpayer is married at the  
6 close of the taxable year, the credit shall be al-  
7 lowed under subsection (a) only if the taxpayer  
8 and his spouse file a joint return for the taxable  
9 year.

10           “(B) MARITAL STATUS.—An individual le-  
11 gally separated from his spouse under a decree  
12 of divorce or of separate maintenance shall not  
13 be considered as married.

14           “(C) CERTAIN MARRIED INDIVIDUALS LIV-  
15 ING APART.—If—

16           “(i) an individual who is married and  
17 who files a separate return—

18           “(I) maintains as his home a  
19 household which constitutes for more  
20 than one-half of the taxable year the  
21 principal place of abode of a quali-  
22 fying individual, and

23           “(II) furnishes over half of the  
24 cost of maintaining such household  
25 during the taxable year, and

1 “(ii) during the last 6 months of such  
2 taxable year such individual’s spouse is not  
3 a member of such household,  
4 such individual shall not be considered as mar-  
5 ried.”.

6 (2) Section 35(g)(6) of such Code is amended  
7 to read as follows:

8 “(6) MARITAL STATUS; CERTAIN MARRIED IN-  
9 DIVIDUALS LIVING APART.—Rules similar to the  
10 rules of subparagraphs (B) and (C) of section  
11 23(f)(1) shall apply for purposes of this section.”.

12 (3) Section 129(a)(2)(C) of such Code is  
13 amended to read as follows:

14 “(C) MARITAL STATUS.—For purposes of  
15 this paragraph, marital status shall be deter-  
16 mined under the rules of subparagraphs (B)  
17 and (C) of section 23(f)(1).”.

18 (4) Section 129(b)(2) of such Code is amended  
19 to read as follows:

20 “(2) SPECIAL RULES FOR SPOUSE WHO IS A  
21 STUDENT OR INCAPABLE OF CARING FOR SELF.—In  
22 the case of a spouse who is a student or an indi-  
23 vidual described in subsection (e)(1)(B)(ii)(III) (de-  
24 termined without regard to the amount of time spent  
25 in the taxpayer’s household), for purposes of para-

graph (1), such spouse shall be deemed for each month during which such spouse is a full-time student at an educational institution, or is an individual so described in subsection (e)(1)(B)(ii)(III), to be gainfully employed and to have earned income of not less than—

“(A) \$250 if there is 1 individual described in subclauses (I) through (III) of subsection (e)(1)(B) with respect to the taxpayer for the taxable year, or

“(B) \$500 if there are 2 or more such individuals with respect to the taxpayer for the taxable year.

In the case of any husband and wife, this paragraph shall apply with respect to only one spouse for any month.”.

(5) Section 129(e)(1) of such Code is amended—

(A) by striking “The term” and inserting the following:

“(A) IN GENERAL.—The term”,

(B) by striking “under section 21(b)(2) (relating to expenses for household and dependent care services necessary for gainful employment)”, and

1 (C) by adding at the end the following:

2 “(B) EMPLOYMENT-RELATED EX-  
3 PENSES.—

4 “(i) IN GENERAL.—The term ‘employ-  
5 ment-related expenses’ means amounts  
6 paid for the following expenses, but only if  
7 such expenses are incurred to enable the  
8 taxpayer to be gainfully employed for any  
9 period for which there are 1 or more quali-  
10 fying individuals with respect to the tax-  
11 payer:

12 “(I) Expenses for household serv-  
13 ices, and

14 “(II) Expenses for the care of a  
15 qualifying individual.

16 Such term shall not include any amount  
17 paid for services outside the taxpayer’s  
18 household at a camp where the qualifying  
19 individual stays overnight.

20 “(ii) EXCEPTION.—Employment-re-  
21 lated expenses described in clause (i) which  
22 are incurred for services outside the tax-  
23 payer’s household shall be taken into ac-  
24 count only if incurred for the care of—

1 “(I) a dependent of the taxpayer  
2 (as defined in section 152(a)(1)) who  
3 has not attained age 13,

4 “(II) a dependent of the taxpayer  
5 (as defined in section 152, determined  
6 without regard to subsections (b)(1),  
7 (b)(2), and (d)(1)(B)) who is phys-  
8 ically or mentally incapable of caring  
9 for himself or herself, who has the  
10 same principal place of abode as the  
11 taxpayer for more than one-half of  
12 such taxable year, and who regularly  
13 spends at least 8 hours each day in  
14 the taxpayer’s household, or

15 “(III) the spouse of the taxpayer,  
16 if the spouse is physically or mentally  
17 incapable of caring for himself or her-  
18 self, has the same principal place of  
19 abode as the taxpayer for more than  
20 one-half of such taxable year, and reg-  
21 ularly spends at least 8 hours each  
22 day in the taxpayer’s household.

23 “(iii) DEPENDENT CARE CENTERS.—  
24 Employment-related expenses described in  
25 clause (i) which are incurred for services

provided outside the taxpayer's household  
by a dependent care center shall be taken  
into account only if—

“(I) such center complies with all  
applicable laws and regulations of a  
State or unit of local government, and

“(II) The requirements of clause  
(ii) are met.

“(iv) DEPENDENT CARE CENTER DE-  
FINED.—For purposes of this paragraph,  
the term ‘dependent care center’ means  
any facility which—

“(I) provides care for more than  
six individuals (other than individuals  
who reside at the facility), and

“(II) receives a fee, payment, or  
grant for providing services for any of  
the individuals (regardless of whether  
such facility is operated for profit).”.

(6) Section 213 of such Code is amended by  
striking subsection (e).

(7) Section 6213(g)(2) of such Code is amend-  
ed—

(A) in subparagraph (H), by striking “sec-  
tion 21 (relating to expenses for household and

1 dependent care services necessary for gainful  
2 employment) or”, and

3 (B) in subparagraph (L), by striking  
4 “21,”.

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

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