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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to expand tax benefits related to dependent care assistance programs.

IN THE HOUSE OF REPRESENTATIVES

Mrs. WALORSKI introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to expand tax benefits related to dependent care assistance programs.

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 “Working Families
5 Childcare Access (WFCA) Act”.

6 **SEC. 2. EXPANSION OF BENEFITS FOR DEPENDENT CARE**
7 **ASSISTANCE PROGRAMS.**

8 (a) EXPANSION OF ANNUAL MAXIMUM.—

1 (1) IN GENERAL.—Subparagraph (A) of Section
2 129(a)(2) of the Internal Revenue Code of 1986 is
3 amended by striking “\$5,000 (\$2,500” and inserting
4 “\$15,000 (\$7,500,”.

5 (2) EFFECTIVE DATE.—The amendment made
6 by paragraph (1) shall apply to taxable years begin-
7 ning after December 31, 2020.

8 (b) CARRYFORWARD OF UNUSED BENEFITS UNDER
9 CAFETERIA PLANS.—

10 (1) IN GENERAL.—Section 125(d)(2) of the In-
11 ternal Revenue Code of 1986 is amended by adding
12 at the end the following new subparagraph:

13 “(E) CARRYFORWARD OF UNUSED BENE-
14 FITS UNDER DEPENDENT CARE ASSISTANCE
15 FLEXIBLE SPENDING ARRANGEMENTS.—

16 “(i) IN GENERAL.—Notwithstanding
17 subparagraph (A), a plan or arrangement
18 may permit a participant in a dependent
19 care assistance flexible spending arrange-
20 ment to elect to carry forward any aggre-
21 gate unused balances in the participant’s
22 accounts under such arrangement as of the
23 close of any year to the succeeding year.
24 Such carryforward shall be treated as hav-

1 ing occurred within 30 days of the close of
2 the year.

3 “(ii) LIMITATION.—The amount
4 which a participant may elect to carry for-
5 ward under clause (i) from any year shall
6 be any aggregate unused balances in the
7 participant’s account at the close of any
8 year.

9 “(iii) EXCLUSION FROM GROSS IN-
10 COME.—No amount shall be included in
11 gross income under this chapter by reason
12 of any carry forward under this subpara-
13 graph.

14 “(iv) COORDINATION LIMITS.—The
15 maximum amount which may be contrib-
16 uted to a dependent care assistance flexible
17 spending arrangement for any year to
18 which an unused amount is carried under
19 this subparagraph shall not be reduced by
20 such unused amount.”.

21 (2) EFFECTIVE DATE.—The amendments made
22 by this subsection shall take effect on the date of the
23 enactment of this Act.