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115TH CONGRESS
1ST SESSION

H. R. 775

To amend the Internal Revenue Code of 1986 to inflation adjust the $5,000 limitation with respect to dependent care assistance programs and flexible spending arrangements.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2017

Mr. MOOLENAAR introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to inflation adjust the $5,000 limitation with respect to dependent care assistance programs and flexible spending arrangements.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INFLATION ADJUSTMENT FOR DEPENDENT CARE ASSISTANCE PROGRAMS AND FLEXIBLE SPENDING ARRANGEMENTS.

(a) IN GENERAL.—Section 129(a)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(D) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after December 31, 2017, the dollar amounts in subparagraph (A) shall be increased by an amount equal to—

"(i) such amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting 'calendar year 2014' for 'calendar year 1992' in subparagraph (B) thereof.

If any increase determined under this paragraph is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

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