

HR 2900

PACE Act

Congress: 119 (2025–2027, Current)

Chamber: House

Policy Area: Taxation

Introduced: Apr 10, 2025

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Apr 10, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/house-bill/2900>

Sponsor

Name: Rep. Tenney, Claudia [R-NY-24]

Party: Republican • **State:** NY • **Chamber:** House

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Schneider, Bradley Scott [D-IL-10]	D · IL		Apr 10, 2025
Rep. Vindman, Eugene Simon [D-VA-7]	D · VA		Dec 10, 2025

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Apr 10, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Promoting Affordable Childcare for Everyone Act or the PACE Act

This bill increases and makes refundable the tax credit for qualified child and dependent care expenses. The bill also increases the exclusion from gross income for employer-provided child and dependent care benefits.

Under current law, a nonrefundable tax credit is allowed for up to 35% (maximum tax credit percentage) of qualified child and dependent care expenses incurred by an individual to work or look for work, up to a maximum amount. The percentage of such expenses allowed as a tax credit may be reduced, but not below 20% (minimum tax credit percentage), based on an individual's adjusted gross income.

The bill generally increases the tax credit for qualified child and dependent care expenses by

- increasing the maximum tax credit percentage to 50%,
- increasing the minimum tax credit percentage to 35%, and
- adjusting the maximum credit amounts annually for inflation.

The bill also makes the tax credit for qualified child and dependent care expenses refundable.

Finally, the bill increases and adjusts for inflation the amount that may be excluded from gross income for employer-sponsored child and dependent care benefits (e.g., dependent care flexible spending arrangements) to \$7,500 (from \$5,000).

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