

Fact Sheet: Rep. Mackenzie's Bill Package for Working Families & Rep. Davids' Affordable Childcare Act (ACCA)

Background

- According to the US Department of Labor, only [27%](#) of civilian workers have access to paid family leave.
 - In the Greater Lehigh Valley, the [typical](#) cost of childcare is \$11,000, amounting to over 10% of median family income.
 - Pennsylvania's Independent Fiscal Office [reports](#) that childcare costs have risen 20% since 2019.
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The following elements are present in the Mackenzie bill package, with some being present in both the package and the ACCA. The FSA plank is present only in the ACCA bill.

1. Expanding Paid Family and Medical Leave:

- **Doubling and Making Permanent the Employer Family and Medical Leave Tax Credit ([IRS Section 45S](#)):**
 - Established under the 2017 Tax Cuts and Jobs Act and extended through 2025 in the Taxpayer Certainty and Disaster Tax Relief Act of 2020.
 - **Credit Rate Adjustments:**
 - 25% credit for employers providing 50% of wages (currently 12.5%).
 - 50% credit for employers providing 100% of wages (currently 25%).
 - Encourages businesses to provide paid family leave, supporting working parents.

2. Providing Childcare Tax Credits:

- **Mackenzie Package and ACCA: Doubling the Child and Dependent Care Tax Credit (CDCTC):**
 - Increases the maximum credit to \$6,000 for one dependent and \$12,000 for two or more dependents (currently \$3,000 and \$6,000).
 - Supports families covering daycare and dependent care costs, including for dependents under 13 or those with disabilities.
- **ACCA only: Doubling Dependent Care Flexible Spending Account (FSA) Limits:**
 - Raises the pre-tax contribution limit from \$5,000 to \$10,000.
 - Expands opportunities for families to save pre-tax income for childcare expenses through employer-sponsored plans.
- **Mackenzie Package and ACCA: Doubling the Employer-Provided Childcare Credit (EPCC):**
 - Increases the maximum employer tax credit from \$150,000 to \$300,000 annually.

- Further incentivizes employers to invest in childcare facilities and referral services.

3. Increasing the Child Tax Credit:

- **Amount Raised:** From \$2,000 to \$5,000 per child.

4. Supporting Adoption and IVF:

- **Adoption Tax Credit:** Increased from \$16,810 to \$25,000.
- **IVF Tax Credit:** New, matching credit of up to \$25,000 for IVF expenses.
 - Makes family-building more affordable for prospective parents.