

Calendar No. 677

106TH CONGRESS
2^D SESSION**H. R. 4810**

IN THE SENATE OF THE UNITED STATES

JULY 12, 2000

Received; read twice and placed on the calendar

AN ACT

To provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

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; ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Marriage Tax Penalty Relief Reconciliation Act of
6 2000”.

7 (b) SECTION 15 NOT TO APPLY.—No amendment
8 made by this Act shall be treated as a change in a rate
9 of tax for purposes of section 15 of the Internal Revenue
10 Code of 1986.

1 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
2 **ARD DEDUCTION.**

3 (a) IN GENERAL.—Paragraph (2) of section 63(c) of
4 the Internal Revenue Code of 1986 (relating to standard
5 deduction) is amended—

6 (1) by striking “\$5,000” in subparagraph (A)
7 and inserting “200 percent of the dollar amount in
8 effect under subparagraph (C) for the taxable year”,

9 (2) by adding “or” at the end of subparagraph
10 (B),

11 (3) by striking “in the case of” and all that fol-
12 lows in subparagraph (C) and inserting “in any
13 other case.”, and

14 (4) by striking subparagraph (D).

15 (b) TECHNICAL AMENDMENTS.—

16 (1) Subparagraph (B) of section 1(f)(6) of such
17 Code is amended by striking “(other than with” and
18 all that follows through “shall be applied” and in-
19 serting “(other than with respect to sections
20 63(c)(4) and 151(d)(4)(A)) shall be applied”.

21 (2) Paragraph (4) of section 63(c) of such Code
22 is amended by adding at the end the following flush
23 sentence:

24 “The preceding sentence shall not apply to the
25 amount referred to in paragraph (2)(A).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2000.

4 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
5 **BRACKET; REPEAL OF REDUCTION OF RE-**
6 **FUNDABLE TAX CREDITS.**

7 (a) IN GENERAL.—Subsection (f) of section 1 of the
8 Internal Revenue Code of 1986 (relating to adjustments
9 in tax tables so that inflation will not result in tax in-
10 creases) is amended by adding at the end the following
11 new paragraph:

12 “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-
13 PERCENT BRACKET.—

14 “(A) IN GENERAL.—With respect to tax-
15 able years beginning after December 31, 2002,
16 in prescribing the tables under paragraph (1)—

17 “(i) the maximum taxable income in
18 the lowest rate bracket in the table con-
19 tained in subsection (a) (and the minimum
20 taxable income in the next higher taxable
21 income bracket in such table) shall be the
22 applicable percentage of the maximum tax-
23 able income in the lowest rate bracket in
24 the table contained in subsection (c) (after

1 any other adjustment under this sub-
2 section), and

3 “(ii) the comparable taxable income
4 amounts in the table contained in sub-
5 section (d) shall be $\frac{1}{2}$ of the amounts de-
6 termined under clause (i).

7 “(B) APPLICABLE PERCENTAGE.—For
8 purposes of subparagraph (A), the applicable
9 percentage shall be determined in accordance
10 with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2003	170.3
2004	173.8
2005	183.5
2006	184.3
2007	187.9
2008 and thereafter	200.0.

11 “(C) ROUNDING.—If any amount deter-
12 mined under subparagraph (A)(i) is not a mul-
13 tiple of \$50, such amount shall be rounded to
14 the next lowest multiple of \$50.”.

15 (b) REPEAL OF REDUCTION OF REFUNDABLE TAX
16 CREDITS.—

17 (1) Subsection (d) of section 24 of such Code
18 is amended by striking paragraph (2) and redesi-
19 gnating paragraph (3) as paragraph (2).

20 (2) Section 32 of such Code is amended by
21 striking subsection (h).

1 (c) TECHNICAL AMENDMENTS.—

2 (1) Subparagraph (A) of section 1(f)(2) of such
3 Code is amended by inserting “except as provided in
4 paragraph (8),” before “by increasing”.

5 (2) The heading for subsection (f) of section 1
6 of such Code is amended by inserting “PHASEOUT
7 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”
8 before “ADJUSTMENTS”.

9 (d) EFFECTIVE DATES.—

10 (1) IN GENERAL.—Except as provided by para-
11 graph (2), the amendments made by this section
12 shall apply to taxable years beginning after Decem-
13 ber 31, 2002.

14 (2) REPEAL OF REDUCTION OF REFUNDABLE
15 TAX CREDITS.—The amendments made by sub-
16 section (b) shall apply to taxable years beginning
17 after December 31, 2001.

18 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**

19 **CREDIT.**

20 (a) IN GENERAL.—Paragraph (2) of section 32(b) of
21 the Internal Revenue Code of 1986 (relating to percent-
22 ages and amounts) is amended—

23 (1) by striking “AMOUNTS.—The earned” and
24 inserting “AMOUNTS.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), the earned”, and

3 (2) by adding at the end the following new sub-
4 paragraph:

5 “(B) JOINT RETURNS.—In the case of a
6 joint return, the phaseout amount determined
7 under subparagraph (A) shall be increased by
8 \$2,000.”.

9 (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of
10 section 32(j) of such Code (relating to inflation adjust-
11 ments) is amended to read as follows:

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for the calendar
14 year in which the taxable year begins,
15 determined—

16 “(i) in the case of amounts in sub-
17 sections (b)(2)(A) and (i)(1), by sub-
18 stituting ‘calendar year 1995’ for ‘calendar
19 year 1992’ in subparagraph (B) thereof,
20 and

21 “(ii) in the case of the \$2,000 amount
22 in subsection (b)(2)(B), by substituting
23 ‘calendar year 2000’ for ‘calendar year
24 1992’ in subparagraph (B) of such section
25 1.”.

1 (c) ROUNDING.—Section 32(j)(2)(A) of such Code
2 (relating to rounding) is amended by striking “subsection
3 (b)(2)” and inserting “subsection (b)(2)(A) (after being
4 increased under subparagraph (B) thereof)”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2000.

Passed the House of Representatives July 12, 2000.

Attest:

JEFF TRANDAHL,

Clerk.

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