

112TH CONGRESS
1ST SESSION

H. R. 660

To amend the Internal Revenue Code of 1986 to provide individual and corporate income tax relief and to extend 100 percent bonus depreciation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2011

Mr. BROUN of Georgia (for himself, Mrs. SCHMIDT, Mr. FRANKS of Arizona, Mr. FLEMING, Mr. LAMBORN, Mr. GOHMERT, and Mr. MARCHANT) 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 provide individual and corporate income tax relief and to extend 100 percent bonus depreciation, and for other purposes.

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 “Jumpstarting Our
5 Business Sector Act of 2011”.

1 **SEC. 2. REDUCTION IN CORPORATE INCOME TAX RATES.**

2 (a) IN GENERAL.—Subsection (b) of section 11 of the
3 Internal Revenue Code of 1986 is amended to read as fol-
4 lows:

5 “(b) AMOUNT OF TAX.—The amount of the tax im-
6 posed by subsection (a) shall be 0 percent of taxable in-
7 come.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 55(b)(1)(B)(i) of such Code is
10 amended by striking “20 percent” and inserting “0
11 percent”.

12 (2) Section 280C(e)(3)(B)(ii)(II) of such Code
13 is amended by striking “maximum rate of tax under
14 section 11(b)(1)” and inserting “rate of tax under
15 section 11(b)”.

16 (3) Sections 860E(e)(2)(B), 860E(e)(6)(A)(ii),
17 860K(d)(2)(A)(ii), 860K(e)(1)(B)(ii),
18 1446(b)(2)(B), and 7874(e)(1)(B) of such Code are
19 each amended by striking “highest rate of tax speci-
20 fied in section 11(b)(1)” and inserting “rate of tax
21 specified in section 11(b)”.

22 (4) Section 904(b)(3)(D)(ii) of such Code is
23 amended by striking “(determined without regard to
24 the last sentence of section 11(b)(1))”.

1 (5) Section 962 of such Code is amended by
2 striking subsection (c) and by redesignating sub-
3 section (d) as subsection (c).

4 (6) Section 1201(a) of such Code is amended—

5 (A) by striking “35 percent (determined
6 without regard to the last 2 sentences of section
7 11(b)(1))” and inserting “0 percent”, and

8 (B) by striking “35 percent” in paragraph
9 (2) and inserting “0 percent”.

10 (7) Section 1561(a) of such Code is amended—

11 (A) by striking paragraph (1) and by re-
12 designating paragraphs (2), (3), and (4) as
13 paragraphs (1), (2), and (3), respectively,

14 (B) by striking “The amounts specified in
15 paragraph (1), the” and inserting “The”,

16 (C) by striking “paragraph (2)” and in-
17 serting “paragraph (1)”,

18 (D) by striking “paragraph (3)” both
19 places it appears and inserting “paragraph
20 (2)”,

21 (E) by striking “paragraph (4)” and in-
22 serting “paragraph (3)”, and

23 (F) by striking the fourth sentence.

24 (8) Subsection (b) of section 1561 of such Code
25 is amended to read as follows:

1 graphs (C) and (D), respectively, and by amending
2 subparagraph (B) to read as follows:

3 “(B) 0 percent of the adjusted net capital
4 gain (or, if less, taxable income);”.

5 (2) ALTERNATIVE MINIMUM TAX.—Paragraph
6 (3) of section 55(b) is amended by striking subpara-
7 graph (C), by redesignating subparagraph (D) as
8 subparagraph (C), and by amending subparagraph
9 (B) to read as follows:

10 “(B) 0 percent of the adjusted net capital
11 gain (or, if less, taxable excess), plus”.

12 (3) REPEAL OF SUNSET OF REDUCTION IN CAP-
13 ITAL GAINS RATES FOR INDIVIDUALS.—Section 303
14 of the Jobs and Growth Tax Relief Reconciliation
15 Act of 2003 shall not apply to section 301 of such
16 Act.

17 (b) ZERO PERCENT CAPITAL GAINS RATE FOR COR-
18 PORATIONS.—

19 (1) IN GENERAL.—Section 1201 of the Internal
20 Revenue Code of 1986 is amended by redesignating
21 subsection (b) as subsection (c), and by striking sub-
22 section (a) and inserting the following new sub-
23 sections:

24 “(a) GENERAL RULE.—If for any taxable year a cor-
25 poration has a net capital gain, then, in lieu of the tax

1 imposed by sections 11, 511, 821(a) or (c), and 831(a),
2 there is hereby imposed a tax (if such tax is less than
3 the tax imposed by such sections) which shall consist of
4 the sum of—

5 “(1) a tax computed on the taxable income re-
6 duced by the amount of the net capital gain, at the
7 rates and in the manner as if this subsection had
8 not been enacted,

9 “(2) 0 percent of the adjusted net capital gain
10 (or, if less, taxable income),

11 “(3) 25 percent of the excess (if any) of—

12 “(A) the unrecaptured section 1250 gain
13 (or, if less, the net capital gain (determined
14 without regard to subsection (b)(2)), over

15 “(B) the excess (if any) of—

16 “(i) the sum of the amount on which
17 tax is determined under paragraph (1)
18 plus the net capital gain, over

19 “(ii) taxable income, plus

20 “(4) 28 percent of the amount of taxable in-
21 come in excess of the sum of the amounts on which
22 tax is determined under the preceding paragraphs of
23 this subsection.

24 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
25 poses of this section—

1 “(1) IN GENERAL.—The terms ‘adjusted net
2 capital gain’ and ‘unrecaptured section 1250 gain’
3 shall have the respective meanings given such terms
4 in section 1(h).

5 “(2) DIVIDENDS TAXED AT NET CAPITAL
6 GAIN.—Except as otherwise provided in this section,
7 the term ‘net capital gain’ has the meaning given
8 such term in section 1(h)(11).”.

9 (2) ALTERNATIVE MINIMUM TAX.—Section
10 55(b) of such Code is amended by adding at the end
11 the following new paragraph:

12 “(4) MAXIMUM RATE OF TAX ON NET CAPITAL
13 GAIN OF CORPORATIONS.—The amount determined
14 under paragraph (1)(B)(i) shall not exceed the sum
15 of—

16 “(A) the amount determined under such
17 paragraph computed at the rates and in the
18 same manner as if this paragraph had not been
19 enacted on the taxable excess reduced by the
20 net capital gain, plus

21 “(B) the amount determined under section
22 1201.”.

23 (3) TECHNICAL AMENDMENTS.—

24 (A) Section 1445(e)(1) of such Code is
25 amended by striking “35 percent (or, to the ex-

1 tent provided in regulations, 15 percent)” and
2 inserting “0 percent”.

3 (B) Section 1445(e)(2) of such Code is
4 amended by striking “35 percent” and inserting
5 “0 percent”.

6 (C) Section 7518(g)(6)(A) of such Code is
7 amended by striking “15 percent (34 percent in
8 the case of a corporation)” and inserting “0
9 percent”.

10 (D) Section 607(h)(6)(A) of the Merchant
11 Marine Act, 1936 is amended by striking “15
12 percent (34 percent in the case of a corpora-
13 tion)” and inserting “0 percent”.

14 (c) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall apply to taxable years ending after the date of
18 the enactment of this Act.

19 (2) WITHHOLDING.—The amendments made by
20 subparagraphs (A) and (B) of subsection (b)(3)
21 shall apply to dispositions and distributions after the
22 date of the enactment of this Act.

1 **SEC. 4. ONE-YEAR EXTENSION OF BONUS DEPRECIATION**
2 **AND 100 PERCENT EXPENSING FOR CERTAIN**
3 **BUSINESS ASSETS.**

4 (a) IN GENERAL.—

5 (1) BONUS DEPRECIATION.—Paragraph (2) of
6 section 168(k) of the Internal Revenue Code of 1986
7 is amended—

8 (A) by striking “January 1, 2014” in sub-
9 paragraph (A)(iv) and inserting “January 1,
10 2015”, and

11 (B) by striking “January 1, 2013” each
12 place it appears and inserting “January 1,
13 2014”.

14 (2) 100 PERCENT EXPENSING.—Paragraph (5)
15 of section 168(k) is amended to read as follows:

16 “(5) TEMPORARY 100 PERCENT BONUS DEPREE-
17 CIATION.—Paragraph (1)(A) shall be applied by sub-
18 stituting ‘100 percent’ for ‘50 percent’ in the case
19 of property placed in service by the taxpayer after
20 September 8, 2010, which would be qualified prop-
21 erty if—

22 “(A) ‘January 1, 2013’ were substituted
23 for ‘January 1, 2014’ each place it appears in
24 paragraph (2),

1 “(B) ‘January 1, 2014’ were substituted
2 for ‘January 1, 2015’ in clause (iv) of para-
3 graph (2)(A), and

4 “(C) ‘September 8, 2010’ were substituted
5 for ‘December 31, 2007’ each place it appears
6 in paragraph (2).”.

7 (3) SPECIAL RULES RELATING TO ELECTION TO
8 ACCELERATE AMT CREDIT IN LIEU OF BONUS DE-
9 PRECIATION.—

10 (A) Subclause (II) of section
11 168(k)(4)(D)(iii) of such Code is amended by
12 striking “January 1, 2013” and inserting “Jan-
13 uary 1, 2014”.

14 (B) Clause (iv) of section 168(k)(4)(I) of
15 such Code is amended—

16 (i) by inserting after “Act of 2010”,
17 and

18 (ii) by striking “of such Act” and in-
19 serting “or section 2(a)(3)(A) of either
20 such Act, respectively”.

21 (4) CONFORMING AMENDMENTS.—

22 (A) The heading for subsection (k) of sec-
23 tion 168 of such Code is amended by striking
24 “JANUARY 1, 2013” and inserting “JANUARY
25 1, 2014”.

1 (B) The heading for clause (ii) of section
2 168(k)(2)(B) of such Code is amended by strik-
3 ing “PRE-JANUARY 1, 2013” and inserting “PRE-
4 JANUARY 1, 2014”.

5 (C) Subparagraph (C) of section 168(n)(2)
6 of such Code is amended by striking “January
7 1, 2013” and inserting “January 1, 2014”.

8 (D) Subparagraph (D) of section
9 1400L(b)(2) of such Code is amended by strik-
10 ing “January 1, 2013” and inserting “January
11 1, 2014”.

12 (E) Subparagraph (B) of section
13 1400N(d)(3) of such Code is amended by strik-
14 ing “January 1, 2013” and inserting “January
15 1, 2014”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 December 31, 2011.

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