

In the Senate of the United States,

July 18, 2000.

Resolved, That the bill from the House of Representatives (H.R. 4810) entitled “An Act to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*

3 *“Marriage Tax Relief Reconciliation Act of 2000”.*

1 (b) *SECTION 15 NOT TO APPLY.*—No amendment
2 made by this Act shall be treated as a change in a rate
3 of tax for purposes of section 15 of the Internal Revenue
4 Code of 1986.

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

7 (a) *IN GENERAL.*—Paragraph (2) of section 63(c) of
8 the Internal Revenue Code of 1986 (relating to standard
9 deduction) is amended—

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

13 (2) by adding “or” at the end of subparagraph
14 (B);

15 (3) by striking “in the case of” and all that fol-
16 lows in subparagraph (C) and inserting “in any
17 other case.”; and

18 (4) by striking subparagraph (D).

19 (b) *TECHNICAL AMENDMENTS.*—

20 (1) Subparagraph (B) of section 1(f)(6) of such
21 Code is amended by striking “(other than with” and
22 all that follows through “shall be applied” and insert-
23 ing “(other than with respect to sections 63(c)(4) and
24 151(d)(4)(A)) shall be applied”.

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

4 “*The preceding sentence shall not apply to the*
 5 *amount referred to in paragraph (2)(A).*”.

6 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 7 *section shall apply to taxable years beginning after Decem-*
 8 *ber 31, 2000.*

9 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
 10 **AND 28-PERCENT RATE BRACKETS.**

11 (a) *IN GENERAL.*—*Subsection (f) of section 1 of the*
 12 *Internal Revenue Code of 1986 (relating to adjustments in*
 13 *tax tables so that inflation will not result in tax increases)*
 14 *is amended by adding at the end the following new para-*
 15 *graph:*

16 “(8) *PHASEOUT OF MARRIAGE PENALTY IN 15-*
 17 *PERCENT AND 28-PERCENT RATE BRACKETS.*—

18 “(A) *IN GENERAL.*—*With respect to taxable*
 19 *years beginning after December 31, 2001, in pre-*
 20 *scribing the tables under paragraph (1)—*

21 “(i) *the maximum taxable income*
 22 *amount in the 15-percent rate bracket, the*
 23 *minimum and maximum taxable income*
 24 *amounts in the 28-percent rate bracket, and*
 25 *the minimum taxable income amount in the*

1 31-percent rate bracket in the table con-
 2 tained in subsection (a) shall be the appli-
 3 cable percentage of the comparable taxable
 4 income amounts in the table contained in
 5 subsection (c) (after any other adjustment
 6 under this subsection), and

7 “(ii) the comparable taxable income
 8 amounts in the table contained in sub-
 9 section (d) shall be $\frac{1}{2}$ of the amounts deter-
 10 mined under clause (i).

11 “(B) *APPLICABLE PERCENTAGE.*—For pur-
 12 poses of subparagraph (A), the applicable per-
 13 centage shall be determined in accordance with
 14 the following table:

| “For taxable years beginning in calendar year— | The applicable percentage is— |
|---|--|
| 2002 | 170.3 |
| 2003 | 173.8 |
| 2004 | 180.0 |
| 2005 | 183.2 |
| 2006 | 185.0 |
| 2007 and thereafter | 200.0. |

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

19 (b) *TECHNICAL AMENDMENTS.*—

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

4 (2) *The heading for subsection (f) of section 1 of*
5 *such Code is amended by inserting “PHASEOUT OF*
6 *MARRIAGE PENALTY IN 15-PERCENT AND 28-PER-*
7 *CENT RATE BRACKETS;” before “ADJUSTMENTS”.*

8 (c) *EFFECTIVE DATE.—The amendments made by this*
9 *section shall apply to taxable years beginning after Decem-*
10 *ber 31, 2001.*

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

12 **CREDIT.**

13 (a) *IN GENERAL.—Paragraph (2) of section 32(b) of*
14 *the Internal Revenue Code of 1986 (relating to percentages*
15 *and amounts) is amended—*

16 (1) *by striking “AMOUNTS.—The earned” and*
17 *inserting “AMOUNTS.—*

18 *“(A) IN GENERAL.—Subject to subpara-*
19 *graph (B), the earned”; and*

20 (2) *by adding at the end the following new sub-*
21 *paragraph:*

22 *“(B) JOINT RETURNS.—In the case of a*
23 *joint return, the phaseout amount determined*
24 *under subparagraph (A) shall be increased by*
25 *\$2,500.”.*

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

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar year
6 in which the taxable year begins, determined—

7 “(i) in the case of amounts in sub-
8 sections (b)(2)(A) and (i)(1), by sub-
9 stituting ‘calendar year 1995’ for ‘calendar
10 year 1992’ in subparagraph (B) thereof,
11 and

12 “(ii) in the case of the \$2,500 amount
13 in subsection (b)(2)(B), by substituting ‘cal-
14 endar year 2000’ for ‘calendar year 1992’
15 in subparagraph (B) of such section 1.”.

16 **(c) ROUNDING.**—Section 32(j)(2)(A) of such Code (re-
17 lating to rounding) is amended by striking “subsection
18 (b)(2)” and inserting “subsection (b)(2)(A) (after being in-
19 creased under subparagraph (B) thereof)”.

20 **(d) EFFECTIVE DATE.**—The amendments made by this
21 section shall apply to taxable years beginning after Decem-
22 ber 31, 2000.

1 **SEC. 5. PRESERVE FAMILY TAX CREDITS FROM THE ALTER-**
2 **NATIVE MINIMUM TAX.**

3 (a) *IN GENERAL.*—Subsection (a) of section 26 of the
4 *Internal Revenue Code of 1986 (relating to limitation based*
5 *on tax liability; definition of tax liability)* is amended to
6 *read as follows:*

7 “(a) *LIMITATION BASED ON AMOUNT OF TAX.*—The
8 *aggregate amount of credits allowed by this subpart for the*
9 *taxable year shall not exceed the sum of—*

10 “(1) *the taxpayer’s regular tax liability for the*
11 *taxable year reduced by the foreign tax credit allow-*
12 *able under section 27(a), and*

13 “(2) *the tax imposed for the taxable year by sec-*
14 *tion 55(a).”.*

15 (b) *CONFORMING AMENDMENTS.*—

16 (1) *Subsection (d) of section 24 of such Code is*
17 *amended by striking paragraph (2) and by redesign-*
18 *ating paragraph (3) as paragraph (2).*

19 (2) *Section 32 of such Code is amended by strik-*
20 *ing subsection (h).*

21 (3) *Section 904 of such Code is amended by*
22 *striking subsection (h) and by redesignating sub-*
23 *sections (i), (j), and (k) as subsections (h), (i), and*
24 *(j), respectively.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after Decem-*
3 *ber 31, 2001.*

4 **SEC. 6. COMPLIANCE WITH BUDGET ACT.**

5 (a) *IN GENERAL.*—*Except as provided in subsection*
6 *(b), all amendments made by this Act which are in effect*
7 *on September 30, 2005, shall cease to apply as of the close*
8 *of September 30, 2005.*

9 (b) *SUNSET FOR CERTAIN PROVISIONS ABSENT SUB-*
10 *SEQUENT LEGISLATION.*—*The amendments made by sec-*
11 *tions 2, 3, 4, and 5 of this Act shall not apply to any tax-*
12 *able year beginning after December 31, 2004.*

Attest:

Secretary.

106TH CONGRESS
2D SESSION

H. R. 4810

AMENDMENT