

107TH CONGRESS
1ST SESSION

S. 628

To amend the Internal Revenue Code of 1986 to provide a rebate of a portion of the Federal budget surplus in 2001.

IN THE SENATE OF THE UNITED STATES

MARCH 27, 2001

Mr. LIEBERMAN (for himself and Mr. DASCHLE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a rebate of a portion of the Federal budget surplus in 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.**

4 This Act may be cited as the “America’s Prosperity
5 Dividend Act of 2001”.

6 **SEC. 2. FEDERAL BUDGET SURPLUS REBATE.**

7 (a) IN GENERAL.—Subchapter B of chapter 65 of the
8 Internal Revenue Code of 1986 (relating to rules of special
9 application in the case of abatements, credits, and re-

1 funds) is amended by adding at the end the following new
 2 section:

3 **“SEC. 6428. CREDIT AGAINST INDIVIDUAL INCOME AND EM-**
 4 **PLOYMENT TAXES.**

5 “(a) GENERAL RULE.—Except as otherwise provided
 6 in this section, each individual shall be treated as having
 7 made a payment against the tax imposed by chapter 1 for
 8 any taxable year beginning in 2001, in an amount equal
 9 to the lesser of—

10 “(1) the amount of the taxpayer’s liability for
 11 tax for the taxpayer’s last taxable year beginning in
 12 calendar year 2000, or

13 “(2) the taxpayer’s applicable amount.

14 “(b) LIABILITY FOR TAX.—For purposes of this sec-
 15 tion, the liability for tax for the taxable year shall be the
 16 sum of—

17 “(1) the excess (if any) of—

18 “(A) the sum of—

19 “(i) the taxpayer’s regular tax liability
 20 (within the meaning of section 26(b)) for
 21 the taxable year, and

22 “(ii) the tax imposed by section 55(a)
 23 with respect to such taxpayer for the tax-
 24 able year, over

1 “(B) the sum of the credits allowable
2 under part IV of subchapter A of chapter 1
3 (other than sections 31, 33, and 34) for the
4 taxable year, and

5 “(2) the taxes imposed by sections 1401, 3101,
6 3111, 3201(a), 3211(a)(1), and 3221(a) on amounts
7 received by the taxpayer for the taxable year.

8 “(c) APPLICABLE AMOUNT.—For purposes of this
9 section, the applicable amount for any taxpayer shall be
10 determined by the Secretary—

11 “(1) taking into account the number of such
12 taxpayers and a Federal budget surplus amount of
13 \$60,000,000,000, and

14 “(2) by providing that—

15 “(A) the applicable amount for any tax-
16 payer described in section 1(a) is twice the
17 amount for a taxpayer described in section 1(c),
18 and

19 “(B) the applicable amount for any tax-
20 payer described in section 1(b) is \$150 more
21 than the amount for a taxpayer described in
22 section 1(c).

23 “(d) DATE PAYMENT DEEMED MADE.—

1 “(1) IN GENERAL.—The payment provided by
2 this section shall be deemed made on the date of the
3 enactment of this section.

4 “(2) REMITTANCE OF PAYMENT.—The Sec-
5 retary shall remit to each taxpayer the payment de-
6 scribed in paragraph (1) on the date which is 60
7 days after such date of enactment.

8 “(e) CERTAIN PERSONS NOT ELIGIBLE.—This sec-
9 tion shall not apply to—

10 “(1) any individual with respect to whom a de-
11 duction under section 151 is allowable to another
12 taxpayer for a taxable year beginning in the cal-
13 endar year in which such individual’s taxable year
14 begins,

15 “(2) any estate or trust, or

16 “(3) any nonresident alien individual.”.

17 (b) CONFORMING AMENDMENT.—Section 1324(b)(2)
18 of title 31, United States Code, is amended by inserting
19 before the period “, or enacted by the America’s Pros-
20 perity Dividend Act of 2001”.

21 (c) CLERICAL AMENDMENT.—The table of sections
22 for subchapter B of chapter 65 of the Internal Revenue
23 Code of 1986 is amended by adding at the end the fol-
24 lowing new item:

 “Sec. 6428. Credit against individual income and employment
 taxes.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

