

**Calendar No. 460**112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 3401**

To amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

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**IN THE SENATE OF THE UNITED STATES**

JULY 18, 2012

Mr. HATCH (for himself and Mr. McCONNELL) introduced the following bill;  
which was read the first time

JULY 19, 2012

Read the second time and placed on the calendar

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**A BILL**

To amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Tax Relief Act of  
3 2012”.

4 **SEC. 2. TEMPORARY EXTENSION OF 2001 TAX RELIEF.**

5 (a) IN GENERAL.—Section 901 of the Economic  
6 Growth and Tax Relief Reconciliation Act of 2001 is  
7 amended by striking “December 31, 2012” both places it  
8 appears and inserting “December 31, 2013”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall take effect as if included in the enact-  
11 ment of the Economic Growth and Tax Relief Reconcili-  
12 ation Act of 2001.

13 **SEC. 3. TEMPORARY EXTENSION OF 2003 TAX RELIEF.**

14 (a) IN GENERAL.—Section 303 of the Jobs and  
15 Growth Tax Relief Reconciliation Act of 2003 is amended  
16 by striking “December 31, 2012” and inserting “Decem-  
17 ber 31, 2013”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall take effect as if included in the enact-  
20 ment of the Jobs and Growth Tax Relief Reconciliation  
21 Act of 2003.

22 **SEC. 4. ALTERNATIVE MINIMUM TAX RELIEF.**

23 (a) TEMPORARY EXTENSION OF INCREASED ALTER-  
24 NATIVE MINIMUM TAX EXEMPTION AMOUNT.—

1           (1) IN GENERAL.—Paragraph (1) of section  
2           55(d) of the Internal Revenue Code of 1986 is  
3           amended—

4                   (A) by striking “\$72,450” and all that fol-  
5                   lows through “2011” in subparagraph (A) and  
6                   inserting “\$78,750 in the case of taxable years  
7                   beginning in 2012 and \$79,850 in the case of  
8                   taxable years beginning in 2013”, and

9                   (B) by striking “\$47,450” and all that fol-  
10                   lows through “2011” in subparagraph (B) and  
11                   inserting “\$50,600 in the case of taxable years  
12                   beginning in 2012 and \$51,150 in the case of  
13                   taxable years beginning in 2013”.

14           (b) TEMPORARY EXTENSION OF ALTERNATIVE MIN-  
15           IMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL  
16           CREDITS.—

17           (1) IN GENERAL.—Paragraph (2) of section  
18           26(a) of the Internal Revenue Code of 1986 is  
19           amended—

20                   (A) by striking “or 2011” and inserting  
21                   “2011, 2012, or 2013”, and

22                   (B) by striking “2011” in the heading  
23                   thereof and inserting “2013”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2011.

4 **SEC. 5. EXTENSION OF INCREASED EXPENSING LIMITA-**  
5 **TIONS AND TREATMENT OF CERTAIN REAL**  
6 **PROPERTY AS SECTION 179 PROPERTY.**

7 (a) IN GENERAL.—

8 (1) DOLLAR LIMITATION.—Section 179(b)(1) of  
9 the Internal Revenue Code of 1986 is amended—

10 (A) by striking “2010 or 2011,” in sub-  
11 paragraph (B) and inserting “2010, 2011,  
12 2012, or 2013, and”,

13 (B) by striking subparagraph (C),

14 (C) by redesignating subparagraph (D) as  
15 subparagraph (C), and

16 (D) in subparagraph (C), as so redesign-  
17 ated, by striking “2012” and inserting  
18 “2013”.

19 (2) REDUCTION IN LIMITATION.—Section  
20 179(b)(2) of such Code is amended—

21 (A) by striking “2010 or 2011,” in sub-  
22 paragraph (B) and inserting “2010, 2011, or  
23 2012, and”,

24 (B) by striking subparagraph (C),

1 (C) by redesignating subparagraph (D) as  
2 subparagraph (C), and

3 (D) in subparagraph (C), as so redesign-  
4 dated, by striking “2012” and inserting  
5 “2013”.

6 (3) CONFORMING AMENDMENT.—Subsection (b)  
7 of section 179 of such Code is amended by striking  
8 paragraph (6).

9 (b) COMPUTER SOFTWARE.—Section  
10 179(d)(1)(A)(ii) of the Internal Revenue Code of 1986 is  
11 amended by striking “2013” and inserting “2014”.

12 (c) ELECTION.—Section 179(c)(2) of the Internal  
13 Revenue Code of 1986 is amended by striking “2013” and  
14 inserting “2014”.

15 (d) SPECIAL RULES FOR TREATMENT OF QUALIFIED  
16 REAL PROPERTY.—

17 (1) IN GENERAL.—Section 179(f)(1) of the In-  
18 ternal Revenue Code of 1986 is amended by striking  
19 “2010 or 2011” and inserting “2010, 2011, 2012,  
20 or 2013”.

21 (2) CARRYOVER LIMITATION.—

22 (A) IN GENERAL.—Section 179(f)(4) of  
23 such Code is amended by striking “2011” each  
24 place it appears and inserting “2013”.

1 (B) CONFORMING AMENDMENT.—The  
2 heading for subparagraph (C) of section  
3 179(f)(4) of such Code is amended by striking  
4 “2010” and inserting “2010, 2011 AND 2012”.

5 (e) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2011.

8 **SEC. 6. INSTRUCTIONS FOR TAX REFORM.**

9 (a) IN GENERAL.—The Senate Committee on Fi-  
10 nance shall report legislation not later than 12 months  
11 after the date of the enactment of this Act that consists  
12 of changes in laws within its jurisdiction which meet the  
13 requirements of subsection (b).

14 (b) REQUIREMENTS.—Legislation meets the require-  
15 ments of this subsection if the legislation—

16 (1) simplifies the Internal Revenue Code of  
17 1986 by reducing the number of tax preferences and  
18 reducing individual tax rates proportionally, with the  
19 highest individual tax rate significantly below 35  
20 percent;

21 (2) permanently repeals the alternative min-  
22 imum tax;

23 (3) is projected, when compared to the current  
24 tax policy baseline, to be revenue neutral or result  
25 in revenue losses;

1           (4) has a dynamic effect which is projected to  
2           stimulate economic growth and lead to increased rev-  
3           enue;

4           (5) applies any increased revenue from stimu-  
5           lated economic growth to additional rate reductions  
6           and does not permit any such increased revenue to  
7           be used for additional Federal spending;

8           (6) retains a progressive tax code; and

9           (7) provides for revenue-neutral reform of the  
10          taxation of corporations and businesses by—

11                 (A) providing a top tax rate on corpora-  
12                 tions of no more than 25 percent; and

13                 (B) implementing a competitive territorial  
14                 tax system.

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