

116TH CONGRESS
1ST SESSION

H. R. 22

To amend the Internal Revenue Code of 1986 to make permanent the increase in the standard deduction, the increase in and modifications of the child tax credit, and the repeal of the deduction for personal exemptions contained in Public Law 115–97.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2019

Mr. BRADY 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 make permanent the increase in the standard deduction, the increase in and modifications of the child tax credit, and the repeal of the deduction for personal exemptions contained in Public Law 115–97.

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. INCREASE IN STANDARD DEDUCTION.**

4 (a) IN GENERAL.—Section 63(c)(2) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) by striking “\$4,400” in subparagraph (B)
7 and inserting “\$18,000”; and

1 (2) by striking “\$3,000” in subparagraph (C)
2 and inserting “\$12,000”.

3 (b) INFLATION ADJUSTMENT.—Section 63(c)(4) of
4 such Code is amended to read as follows:

5 “(4) ADJUSTMENTS FOR INFLATION.—

6 “(A) IN GENERAL.—In the case of a tax-
7 able year beginning after 2018, each dollar
8 amount in paragraph (2)(B), (2)(C), or (5) or
9 subsection (f) shall be increased by an amount
10 equal to—

11 “(i) such dollar amount, multiplied by

12 “(ii) the cost-of-living adjustment de-
13 termined under section 1(f)(3) for the cal-
14 endar year in which the taxable year be-
15 gins, determined by substituting for ‘2016’
16 in subparagraph (A)(ii) thereof—

17 “(I) in the case of the dollar
18 amounts contained in paragraph
19 (2)(B) or (2)(C), ‘2017’,

20 “(II) in the case of the dollar
21 amounts contained in paragraph
22 (5)(A) or subsection (f), ‘1987’, and

23 “(III) in the case of the dollar
24 amount contained in paragraph
25 (5)(B), ‘1997’.

1 “(2) \$500 for each qualifying dependent (other
2 than a qualifying child) of the taxpayer.

3 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
4 COME.—The amount of the credit allowable under sub-
5 section (a) shall be reduced (but not below zero) by \$50
6 for each \$1,000 (or fraction thereof) by which the tax-
7 payer’s modified adjusted gross income exceeds \$400,000
8 in the case of a joint return (\$200,000 in any other case).
9 For purposes of the preceding sentence, the term ‘modi-
10 fied adjusted gross income’ means adjusted gross income
11 increased by any amount excluded from gross income
12 under section 911, 931, or 933.

13 “(c) QUALIFYING CHILD; QUALIFYING DEPEND-
14 ENT.—For purposes of this section—

15 “(1) QUALIFYING CHILD.—The term ‘qualifying
16 child’ means any qualifying dependent of the tax-
17 payer—

18 “(A) who is a qualifying child (as defined
19 in section 7706(c)) of the taxpayer,

20 “(B) who has not attained age 17 at the
21 close of the calendar year in which the taxable
22 year of the taxpayer begins, and

23 “(C) whose name and social security num-
24 ber are included on the taxpayer’s return of tax
25 for the taxable year.

1 “(2) QUALIFYING DEPENDENT.—The term
2 ‘qualifying dependent’ means any dependent of the
3 taxpayer (as defined in section 7706 without regard
4 to all that follows ‘resident of the United States’ in
5 section 7706(b)(3)(A)) whose name and TIN are in-
6 cluded on the taxpayer’s return of tax for the tax-
7 able year.

8 “(3) SOCIAL SECURITY NUMBER DEFINED.—
9 For purposes of this subsection, the term ‘social se-
10 curity number’ means, with respect to a return of
11 tax, a social security number issued to an individual
12 by the Social Security Administration, but only if
13 the social security number is issued—

14 “(A) to a citizen of the United States or
15 pursuant to subclause (I) (or that portion of
16 subclause (III) that relates to subclause (I)) of
17 section 205(c)(2)(B)(i) of the Social Security
18 Act, and

19 “(B) on or before the due date of filing
20 such return.”.

21 (b) PORTION OF CREDIT REFUNDABLE.—

22 (1) IN GENERAL.—Section 24(d)(1)(A) of the
23 Internal Revenue Code of 1986 is amended to read
24 as follows:

1 “(A) the credit which would be allowed
2 under this section determined—

3 “(i) by substituting ‘\$1,400’ for
4 ‘\$2,000’ in subsection (a)(1),

5 “(ii) without regard to subsection
6 (a)(2), and

7 “(iii) without regard to this subsection
8 and the limitation under section 26(a),
9 or”.

10 (2) MODIFICATION OF LIMITATION BASED ON
11 EARNED INCOME.—Section 24(d)(1)(B)(i) of such
12 Code is amended by striking “\$3,000” and inserting
13 “\$2,500”.

14 (3) INFLATION ADJUSTMENT.—Section 24(d) of
15 such Code is amended by inserting after paragraph
16 (3) the following new paragraph:

17 “(4) ADJUSTMENT FOR INFLATION.—

18 “(A) IN GENERAL.—In the case of a tax-
19 able year beginning after 2018, the \$1,400
20 amount in paragraph (1)(A)(i) shall be in-
21 creased by an amount equal to—

22 “(i) such dollar amount, multiplied by

23 “(ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) for the cal-
25 endar year in which the taxable year be-

1 gins, determined by substituting ‘2017’ for
2 ‘2016’ in subparagraph (A)(ii) thereof.

3 “(B) ROUNDING.—If any increase under
4 subparagraph (A) is not a multiple of \$100,
5 such increase shall be rounded to the next low-
6 est multiple of \$100.

7 “(C) LIMITATION.—The amount of any in-
8 crease under subparagraph (A) (after the appli-
9 cation of subparagraph (B)) shall not exceed
10 \$600.”.

11 (4) CONFORMING AMENDMENTS.—

12 (A) Section 24(e) of such Code is amended
13 to read as follows:

14 “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—
15 No credit shall be allowed under this section if the identi-
16 fying number of the taxpayer was issued after the due date
17 for filing the return of tax for the taxable year.”.

18 (B) Section 24 of such Code is amended by
19 striking subsection (h).

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2017.

1 **SEC. 3. ELIMINATION OF DEDUCTION FOR PERSONAL EX-**
2 **EMPTIONS.**

3 (a) **IN GENERAL.**—Section 151(d)(5) of the Internal
4 Revenue Code of 1986 is amended by striking “, and be-
5 fore January 1, 2026”.

6 (b) **CONFORMING AMENDMENTS.**—

7 (1) Section 152(d)(1)(B) is amended by insert-
8 ing after “section 151(d)” the following: “or, in the
9 case of a taxable year for which the exemption
10 amount is zero, the dollar amount in effect for the
11 taxable year under section 6334(d)(4)(B)”.

12 (2) The heading of section 151(d)(5) of such
13 Code is amended by striking “2018 THROUGH 2025”
14 and inserting “AFTER 2017”.

15 (3) The second sentence of section
16 6334(d)(4)(C) is amended by striking “\$100” each
17 place it appears and inserting “\$50”.

18 (c) **EFFECTIVE DATE.**—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2017.

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