

PROVIDING FOR THE CONSIDERATION OF H.R. 6, THE
MARRIAGE TAX PENALTY RELIEF ACT

FEBRUARY 8, 2000.—Referred to the House Calendar and ordered to be printed

Ms. PRYCE of Ohio, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 419]

The Committee on Rules, having had under consideration House Resolution 419, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for the consideration, in the House, of H.R. 6, the Marriage Tax Penalty Relief Act of 2000, under a structured rule. The rule provides two hours of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill be considered as adopted upon adoption of the resolution. The rule further provides for consideration of the amendment in the nature of substitute, printed in this report, if offered by Representative Rangel or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent. Finally, the rule provides one motion to recommit with or without instructions.

The waiver of all points of order against consideration of the bill includes a waiver of section 302 (prohibiting consideration of legislation providing new budget authority in excess of a committee's allocation of such authority) and section 303 (prohibiting consideration of legislation, as reported, providing new budget authority, changes in revenues, or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to) of the Congressional Budget Act of 1974.

The waiver of section 302 is necessary because according to the Joint Committee on Taxation the bill would increase direct spending (the outlay effect of the EIC changes) by \$10 billion over the 2001–2010 period. The waiver of section 303 is necessary because Congress has not yet completed consideration of a budget resolution for FY 2001 and according to the Joint Committee on Taxation the bill would decrease revenues by \$4 billion in FY 2001 and increase direct spending by \$5 billion in FY 2001.

The waiver of all points of order against consideration of the minority substitute may be necessary for the same general reasons as are necessary for the bill.

SUMMARY OF AMENDMENT MADE IN ORDER UNDER THE RULE FOR H.R. 6, THE MARRIAGE TAX PENALTY RELIEF ACT OF 2000

Rangel: Amendment in the nature of a substitute that increases the standard deduction for joint returns so that it is equal to twice the standard deduction allowed for single taxpayers; adjusts the alternative minimum tax to provide \$10 billion more in tax relief to low and moderate-income taxpayers; increases the income level at which the credit begins to phase out by \$2,000 in 2001 and by \$2,500 in 2002 and thereafter; repeals the current law reduction in EITC and refundable child credit by the amount of the minimum tax and makes the tax reductions contained in the substitute contingent on action to extend Social Security solvency until 2050, action to extend Medicare solvency to 2030, and a certification that the publicly-held National debt is projected to be eliminated by 2013. If those contingencies are satisfied, the substitute would provide \$89 billion of tax relief over ten years. (60 minutes)

Text of the amendment made in order under the rule:

AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RANGEL OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 60 MINUTES

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Marriage Tax Penalty Relief Act of 2000”.

SEC. 2. MARRIAGE PENALTY RELIEF.

(a) STANDARD DEDUCTION.—

(1) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(A) by striking “\$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”,

(B) by adding “or” at the end of subparagraph (B),

(C) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”, and

(D) by striking subparagraph (D).

(2) INCREASE ALLOWED AS DEDUCTION IN DETERMINING MINIMUM TAX.—Subparagraph (E) of section 56(b)(1) of such Code is amended by adding at the end the following new sentence: “The preceding sentence shall not apply to so much of the standard deduction under subparagraph (A) of section 63(c)(2)

as exceeds the amount which be such deduction but for the amendment made by section 2(a)(1) of the Marriage Tax Penalty Relief Act of 2000.

(3) TECHNICAL AMENDMENTS.—

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

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

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

(b) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Subsection (a) of section 32 of such Code (relating to credit for earned income) is amended by adding at the end the following new paragraph:

“(3) REDUCTION OF MARRIAGE PENALTY.—

“(A) IN GENERAL.—In the case of a joint return, the phaseout amount under this section shall be such amount (determined without regard to this paragraph) increased by \$2,500 (\$2,000 in the case of taxable years beginning during 2001).

“(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2002, the \$2,500 amount contained in subparagraph (A) shall be increased by an amount equal to the product of—

“(i) such dollar amount, and

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.”

(2) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(A) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Section 32 of such Code is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. TAX REDUCTIONS CONTINGENT ON SOCIAL SECURITY AND MEDICARE SOLVENCY CERTIFICATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect until there is—

(1) a social security certification,

(2) a Medicare certification, and

(3) a public debt elimination certification.

(b) DEFINITIONS.—For purposes of this subsection—

(1) SOCIAL SECURITY SOLVENCY CERTIFICATION.—The term ‘social security solvency certification’ means a certification by the Board of Trustees of the Social Security Trust Funds that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in actuarial balance until the year 2050.

(2) MEDICARE SOLVENCY CERTIFICATION.—The term ‘Medicare solvency certification’ means a certification by the Board of Trustees of the Federal Hospital Insurance Trust Fund that such Trust Fund is in actuarial balance until the year 2030.

(3) PUBLIC DEBT ELIMINATION CERTIFICATION.—There is a public debt elimination certification if the Director of the Office of Management and Budget certifies that, taking into account the tax reductions made by this Act and other legislation enacted during calendar year 2000, the national debt held by the public is projected to be eliminated by the year 2013.