PROVIDING FOR CONSIDERATION OF THE SENATE AMENDMENT TO THE JOINT RESOLUTION (H.J. RES. 66) APPROVING THE RENEWAL OF IMPORT RESTRICTIONS CONTAINED IN THE BURMESE FREEDOM AND DEMOCRACY ACT OF 2003, AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 6684) TO PROVIDE FOR SPENDING REDUCTION

DECEMBER 19, 2012.—Referred to the House Calendar and ordered to be printed

Mr. DREIER, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 841]

The Committee on Rules, having had under consideration House Resolution 841, 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 of the Senate amendment to H.J. Res. 66, approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003. The resolution makes in order a motion offered by the chair of the Committee on Ways and Means that the House concur in the Senate amendment to the bill with the amendment printed in this report. The resolution waives all points of order against consideration of the motion. The resolution provides that the Senate amendment and the motion shall be considered as read. The resolution provides for one hour of debate on the motion equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The resolution also provides for consideration of H.R. 6684, the Spending Reduction Act of 2012, under a closed rule. The resolution provides one hour of debate equally divided and controlled by the Majority Leader and Minority Leader or their respective designees. The resolution waives all points of order against consideration of the bill. The resolution provides that the bill shall be considered as read. The resolution waives all points of order against provisions in the bill. Finally, the resolution provides one motion to recommit.
EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the motion and the Senate amendment to H.J. Res. 66 includes the following waivers:

- Clause 7 of rule XVI, requiring that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment;
- Section 306 of the Congressional Budget Act, prohibiting consideration of legislation within the jurisdiction of the Committee on the Budget unless reported by the Budget Committee; and
- Section 311(a) of the Congressional Budget Act, prohibiting consideration of legislation that would cause the level of total new budget authority for the first fiscal year to be exceeded, or would cause revenues to be less than the level of total revenues for the first fiscal year or for the total of that first fiscal year and the ensuing fiscal years for which allocations are provided, except when a declaration of war by the Congress is in effect.

The waiver of all points of order against consideration of H.R. 6684, may include a waiver of clause 11 of rule XXI, prohibiting the consideration of a bill or joint resolution which has not been reported by a committee until the third calendar day (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such a day) on which such measure has been available to Members, Delegates, and the Resident Commissioner. If the bill is considered before Friday, December 21, 2012, then the waiver of clause 11 of rule XXI would be applicable.

The waiver of all points of order against consideration of the bill also includes a waiver of clause 9(a)(2) of rule XXI which prohibits consideration of a bill or joint resolution not reported by a committee, unless the chair of each committee of initial referral has caused a list of congressional earmarks, limited tax benefits, and limited tariff benefits in the bill or a statement that the proposition contains no congressional earmarks, limited tax benefits, or limited tariff benefits to be printed in the Congressional Record prior to its consideration. The Committee would note that H. Rept. 112–470, the report to accompany H.R. 5652, a similar bill containing all provisions included in H.R. 6684 contained the following earmark statement from the Committee on the Budget: “In compliance with clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that the Committee Prints contain no earmarks, limited tax benefits, or limited tariff benefits.”

Although the resolution waives all points of order against provisions in H.R. 6684, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

SUMMARY OF THE HOUSE AMENDMENT TO THE SENATE AMENDMENT TO H.J. RES. 66

SUBSTITUTE AMENDMENT. The amendment would permanently extend current income tax rates, permanently establish parity between capital gains and dividends rates for individuals, families, and small businesses with incomes up to $1 million. The amendment also makes permanent the Marriage Penalty Relief,
the Child Tax Credit, repeal of the Personal Exemption Phase-out (PEP) and Pease limitation, Estate Tax Relief, and Education-related and other tax benefits. The amendment also makes permanent higher Section 179 Small Business Expensing and the Alternative Minimum Tax (AMT) Patch.

TEXT OF THE HOUSE AMENDMENT TO THE SENATE AMENDMENT TO H.J. RES 66

The House concurs in the Senate Amendment to H.J. Res. 66 with the following amendment:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the resolution, insert the following:

SECTION 1. SHORT TITLE.
This Act may be cited as the “Permanent Tax Relief for Families and Small Businesses Act of 2012”.

SEC. 2. PREVENTION OF INDIVIDUAL INCOME TAX RATE INCREASES.
(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(j) RATE REDUCTIONS AFTER 2012.—
“(1) 10-PERCENT RATE BRACKET.—
“(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2012, the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent.
“(B) INITIAL BRACKET AMOUNT.—For purposes of this paragraph, the initial bracket amount is—
“(i) $14,000 in the case of subsection (a),
“(ii) $10,000 in the case of subsection (b), and
“(iii) ½ the amount applicable under clause (i) (after adjustment, if any, under paragraph (4)) in the case of subsections (c) and (d).
“(2) REDUCTIONS IN 28-, 31-, AND 36-PERCENT RATES.—In the case of taxable years beginning after December 31, 2012, the tables contained in subsections (a), (b), (c), (d), and (e) shall be applied—
“(A) by substituting ‘25%’ for ‘28%’ each place it appears (before the application of subparagraph (B)),
“(B) by substituting ‘28%’ for ‘31%’ each place it appears, and
“(C) by substituting ‘33%’ for ‘36%’ each place it appears.
“(3) 35-PERCENT RATE BRACKET.—
“(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2012, the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer’s taxable income in the highest rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—
“(i) the applicable amount, over
“(ii) the dollar amount at which such bracket begins.
“(B) APPLICABLE AMOUNT.—For purposes of this paragraph, the term ‘applicable amount’ means—
“(i) except as provided in clause (ii), $1,000,000, and
“(ii) \( \frac{1}{2} \) the amount applicable under clause (i) (after adjustment, if any, under paragraph (4)) in the case of subsection (d).

“(4) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2012 (2013 in the case of the dollar amount contained in paragraph (3)(B)(i))—

“(A) with respect to each of the dollar amounts contained in clauses (i) and (ii) of paragraph (1)(B), the cost-of-living adjustment shall be determined under subsection (f)(3) by substituting ‘2002’ for ‘1992’ in subparagraph (B) thereof, and

“(B) with respect to the dollar amount contained in paragraph (3)(B)(i), the cost-of-living adjustment shall be determined under subsection (f)(3) by substituting ‘2012’ for ‘1992’ in subparagraph (B) thereof.

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

“(5) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.”

(b) TREATMENT OF CHANGE IN RATES.—Section 15 of such Code is amended by adding at the end the following new subsection:

“(g) RATE REDUCTIONS AFTER 2012.—This section shall not apply to any change in rates under section 1(j).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

SEC. 3. PREVENTION OF INCREASES IN CAPITAL GAINS AND DIVIDENDS RATES.

(a) IN GENERAL.—Paragraph (1) of section 1(h) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively,

(2) by inserting after subparagraph (B) the following new subparagraph:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

“(ii) the excess (if any) of—

“(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 36 percent, over

“(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),”;

and

(3) in subparagraph (D) (as redesignated by paragraph (1)), by striking “of the adjusted net capital gain” and all that follows through the end of such subparagraph and inserting “(as applied pursuant to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003) of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C),”.
(b) MINIMUM TAX.—Paragraph (3) of section 55(b) of such Code is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraph (D) and (E), respectively,
(2) by inserting after subparagraph (B) the following new subparagraph:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or
“(ii) the excess described in section 1(h)(1)(C)(ii), plus”, and
(3) in subparagraph (D) (as redesignated by paragraph (1)), by striking “of the adjusted net capital gain” and all that follows through the end of such subparagraph and inserting “(as applied pursuant to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003) of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus”.

(c) CONFORMING AMENDMENTS.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) of such Code are each amended by striking “5 percent (0 percent in the case of taxable years beginning after 2007)” and inserting “0 percent”.

(2) Section 1445(e)(1) of such Code is amended by striking “percent)” and inserting “percent (as applied pursuant to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003)”.

(3) Section 7518(g)(6)(A) of such Code is amended by striking “percent (“ in the second sentence and inserting “percent, as applied pursuant to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (“.

(4) Section 53511(f)(2) of title 46, United States Code, is amended by striking “percent (“ and inserting “percent, as applied pursuant to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (“.

(d) COORDINATION WITH JGTRRA SUNSET.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 shall apply with respect to the amendment made by section 301(a)(2)(A) of such Act before the redesignation of section 1(h)(1)(C) of the Internal Revenue Code of 1986 under subsection (a)(1).

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2012.

(2) WITHHOLDING.—The amendment made by subsection (c)(2) shall apply to amounts paid on or after January 1, 2013.

SEC. 4. REPEAL OF SUNSET WITH RESPECT TO OTHER 2001 AND 2003 TAX RELIEF.

(a) 2001 TAX RELIEF.—

(1) IN GENERAL.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply with respect to the following provisions of (and amendments made by) such Act:

(A) Subsections (b), (c), and (d) of section 101.
(B) Section 102.
(C) Section 103.
(D) Title II.
(E) Title III.
(F) Title IV.
(G) Title V.
(H) Subtitle G of title VI.
(I) Title VIII.

(2) **CONFORMING AMENDMENT.**—The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 is amended by striking section 304.

(3) **EFFECTIVE DATES.**—
   
   (A) **IN GENERAL.**—Paragraph (1) shall apply as if included in the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.
   
   (B) **CONFORMING AMENDMENT.**—The amendment made by paragraph (2) shall take effect as if included in the enactment of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

(b) **2003 TAX RELIEF.**—

   (1) **IN GENERAL.**—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 shall not apply with respect to the following provisions of (and amendments made by) such Act:
   
   (A) Paragraph (1) of section 301(a).
   
   (B) Subsections (b), (c), and (d) of section 301.
   
   (C) Section 302.

   (2) **EFFECTIVE DATE.**—Paragraph (1) shall apply as if included in the enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

**SEC. 5. PERMANENT INCREASE IN EXPensing OF certain depreciable business assets.**

(a) **IN GENERAL.**—

   (1) **DOLLAR LIMITATION.**—Section 179(b)(1) of the Internal Revenue Code of 1986 is amended by striking “shall not exceed—” and all that follows and inserting “shall not exceed $250,000.”.

   (2) **REDUCTION IN LIMITATION.**—Section 179(b)(2) of such Code is amended by striking “exceeds—” and all that follows and inserting “exceeds $800,000.”.

(b) **COMPUTER SOFTWARE.**—Section 179(d)(1)(A)(ii) of such Code is amended by striking “and before 2013”.

(c) **ELECTION.**—Section 179(c)(2) of such Code is amended by striking “may not be revoked” and all that follows through “and before 2013”.

(d) **INFLATION ADJUSTMENT.**—Section 179(b)(6)(A) of such Code is amended to read as follows:

   “(A) **IN GENERAL.**—In the case of any taxable year beginning after 2013, the dollar amounts in paragraphs (1) and (2) shall each be increased by an amount equal to—

   “(i) such dollar amount, multiplied by

   “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2012’ for ‘1992’ in subparagraph (B) thereof.”.
(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

SEC. 6. PERMANENT ALTERNATIVE MINIMUM TAX RELIEF FOR INDIVIDUALS.

(a) Extension of Increased Alternative Minimum Tax Exemption Amount.—

(1) In general.—Section 55(d)(1) of the Internal Revenue Code of 1986 is amended—

(A) by striking “$45,000” and all that follows through “2011)” in subparagraph (A) and inserting “$78,750”, and

(B) by striking “$33,750” and all that follows through “2011)” in subparagraph (B) and inserting “$50,600”.

(2) Indexing of Dollar Amounts.—Section 55(d) of such Code is amended by adding at the end the following new paragraph:

“(4) Indexing of Dollar Amounts.—

“(A) In general.—In the case of any taxable year beginning in a calendar year after 2012, each of the dollar amounts contained in subclause (I) and (II) of subsection (b)(1)(A)(i), and paragraphs (1)(A), (1)(B), (3)(A), and (3)(B) of this subsection, shall be increased to the amount equal to such amount as in effect for the calendar year preceding such year, increased by an amount equal to the product of—

“(i) such amount as so in effect, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such year (determined by substituting the calendar year which is 2 years before such year for ‘1992’ in subparagraph (B) thereof), increased by 0.75 percentage points.

“(B) Rounding.—Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of $50.”.

(3) Conforming Amendments.—

(A) Section 55(b)(1)(A)(iii) of such Code is amended to read as follows:

“(iii) Married individual filing separate return.—In the case of a married individual filing a separate return, the dollar amount applicable under subclauses (I) and (II) of clause (i) shall be equal to 1⁄2 of the dollar amount otherwise in effect under such subclauses. For purposes of the preceding sentence, marital status shall be determined under section 7703.”.

(B) Section 55(d)(3) of such Code is amended by striking the first sentence and inserting the following: “The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount equal to 25 percent of the amount by which the alternative minimum taxable income of the taxpayer exceeds—

“(A) $150,000 in the case of a taxpayer described in paragraph (1)(A),

“(B) $112,500 in the case of a taxpayer described in paragraph (1)(B),
“(C) ½ the amount in effect under subparagraph (A) in the case of a taxpayer described in paragraph (1)(C),
“(D) $75,000 in the case of a taxpayer described in paragraph (1)(D), and
“(E) $150,000 in the case of a taxpayer described in paragraph (2).”.

(b) ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE CREDITS.—Section 26(a)(2) of such Code is amended by striking all that precedes “the aggregate amount” and inserting the following:
“(2) SPECIAL RULE FOR 2000 AND THEREAFTER.—For purposes of any taxable year beginning after December 31, 1999,”.

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

SEC. 7. TREATMENT FOR PAYGO PURPOSES.
The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.