

105TH CONGRESS
1ST SESSION

H. R. 2593

To amend the Internal Revenue Code of 1986 to restore the deduction
for two-earner married couples.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1997

Mr. HERGER (for himself, Mrs. KENNELLY of Connecticut, Mr. WELLER, Mr. CRANE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BUNNING, Mr. HOUGHTON, Mr. MCCRERY, Mr. CAMP, Mr. NUSSLE, Mr. SAM JOHNSON of Texas, Ms. DUNN, Mr. COLLINS, Mr. PORTMAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. CHRISTENSEN, Mr. WATKINS, Mr. HAYWORTH, Mr. NEAL of Massachusetts, and Mr. COYNE) 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 restore
the deduction for two-earner married couples.

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 “Marriage Penalty Re-
5 lief Act”.

1 **SEC. 2. RESTORATION OF DEDUCTION FOR TWO-EARNER**
2 **MARRIED COUPLES.**

3 (a) IN GENERAL.—Part VII of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 additional itemized deductions for individuals) is amended
6 by redesignating section 222 as section 223 and by insert-
7 ing after section 221 the following new section:

8 **“SEC. 222. DEDUCTION FOR TWO-EARNER MARRIED COU-**
9 **PLES.**

10 “(a) DEDUCTION ALLOWED.—In the case of a joint
11 return for the taxable year, there shall be allowed as a
12 deduction an amount equal to 10 percent of the lesser of—

13 “(1) \$30,000, or

14 “(2) the qualified earned income of the spouse
15 with the lower qualified earned income for such tax-
16 able year.

17 “(b) QUALIFIED EARNED INCOME.—

18 “(1) IN GENERAL.—For purposes of this sec-
19 tion, the term ‘qualified earned income’ means an
20 amount equal to the excess of—

21 “(A) the earned income of the spouse for
22 the taxable year, over

23 “(B) an amount equal to the sum of the
24 deductions described in paragraphs (1), (2),
25 (6), (7), and (12) of section 62(a) to the extent
26 such deductions are properly allocable to or

1 chargeable against earned income described in
2 subparagraph (A).

3 The amount of qualified earned income shall be de-
4 termined without regard to any community property
5 laws.

6 “(2) EARNED INCOME.—For purposes of para-
7 graph (1), the term ‘earned income’ means income
8 which is earned income within the meaning of sec-
9 tion 911(d)(2) or 401(c)(2)(C), except that—

10 “(A) such term shall not include any
11 amount—

12 “(i) not includible in gross income,

13 “(ii) received as a pension or annuity,

14 “(iii) paid or distributed out of an in-
15 dividual retirement plan (within the mean-
16 ing of section 7701(a)(37)),

17 “(iv) received as deferred compensa-
18 tion, or

19 “(v) received for services performed
20 by an individual in the employ of his
21 spouse (within the meaning of section
22 3121(b)(3)(A)), and

23 “(B) section 911(d)(2)(B) shall be applied
24 without regard to the phrase ‘not in excess of

1 30 percent of his share of the net profits of
2 such trade or business’.

3 “(d) DEDUCTION DISALLOWED FOR INDIVIDUAL
4 CLAIMING BENEFITS OF SECTION 911 OR 931.—No de-
5 duction shall be allowed under this section for any taxable
6 year if either spouse claims the benefits of section 911
7 or 931 for such taxable year.”

8 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
9 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
10 of section 62 of such Code (defining adjusted gross in-
11 come) is amended by inserting after paragraph (17) the
12 following new paragraph:

13 “(18) DEDUCTION FOR TWO-EARNER MARRIED
14 COUPLES.—The deduction allowed by section 222.”

15 (c) CONFORMING AMENDMENTS.—

16 (1) Subparagraph (A) of section 86(b)(2) of
17 such Code is amended by inserting “222,” after
18 “137,”.

19 (2) Subsection (f) of section 86 of such Code is
20 amended by striking “and” at the end of paragraph
21 (3), by redesignating paragraph (4) as paragraph
22 (5), and by inserting after paragraph (3) the follow-
23 ing new paragraph:

24 “(4) section 222(b)(2) (defining earned in-
25 come), and”.

1 (3) The table of sections for part VII of sub-
2 chapter B of chapter 1 of such Code is amended by
3 striking the item relating to section 222 and insert-
4 ing the following:

 “Sec. 222. Deduction for two-earner married couples.
 “Sec. 223. Cross reference.”

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.

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