

105TH CONGRESS  
1ST SESSION

# H. R. 3059

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty, to establish a commission to simplify the tax code, to require the Internal Revenue Service to use alternative dispute resolution, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1997

Ms. JACKSON-LEE (for herself, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MEEK of Florida, Mr. DAVIS of Illinois, Mr. HINOJOSA, Mr. ROMERO-BARCELÓ, Mr. REYES, Mr. SANDLIN, Mr. LAMPSON, Mr. CUMMINGS, and Ms. KILPATRICK) 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 eliminate the marriage penalty, to establish a commission to simplify the tax code, to require the Internal Revenue Service to use alternative dispute resolution, and for other purposes.

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 “Taxpayer Justice Act  
5 of 1997”.

1 **SEC. 2. COMBINED RETURN TO WHICH UNMARRIED RATES**  
2 **APPLY.**

3 (a) IN GENERAL.—Subpart B of part II of sub-  
4 chapter A of chapter 61 of the Internal Revenue Code of  
5 1986 (relating to income tax returns) is amended by in-  
6 serting after section 6013 the following new section:

7 **“SEC. 6013A. COMBINED RETURN WITH SEPARATE RATES.**

8 “(a) GENERAL RULE.—A husband and wife may  
9 make a combined return of income taxes under subtitle  
10 A under which—

11 “(1) a separate taxable income is determined  
12 for each spouse by applying the rules provided in  
13 this section, and

14 “(2) the tax imposed by section 1 is the aggre-  
15 gate amount resulting from applying the separate  
16 rates set forth in section 1(c) to each such taxable  
17 income.

18 “(b) TREATMENT OF INCOME.—For purposes of this  
19 section—

20 “(1) earned income (within the meaning of sec-  
21 tion 911(d)), and any income received as a pension  
22 or annuity which arises from an employer-employee  
23 relationship, shall be treated as the income of the  
24 spouse who rendered the services, and

1           “(2) income from property shall be divided be-  
2           tween the spouses in accordance with their respec-  
3           tive ownership rights in such property.

4           “(c) TREATMENT OF DEDUCTIONS.—For purposes of  
5 this section—

6           “(1) except as otherwise provided in this sub-  
7           section, the deductions allowed by section 62(a) shall  
8           be allowed to the spouse treated as having the in-  
9           come to which such deductions relate,

10          “(2) the deduction for retirement savings de-  
11          scribed in paragraph (7) of section 62(a) shall be al-  
12          lowed to the spouse for whose benefit the savings are  
13          maintained,

14          “(3) the deduction for alimony described in  
15          paragraph (10) of section 62(a) shall be allowed to  
16          the spouse who has the liability to pay the alimony,

17          “(4) the deduction referred to in paragraph  
18          (16) of section 62(a) (relating to contributions to  
19          medical savings accounts) shall be allowed to the  
20          spouse with respect to whose employment or self-em-  
21          ployment such account relates,

22          “(5) the deductions allowable by section 151  
23          (relating to personal exemptions) shall be deter-  
24          mined by requiring each spouse to claim 1 personal  
25          exemption and by allocating the personal exemptions

1 under section 151(c) (relating to dependents) as pro-  
2 vided in paragraph (7) or in such other manner as  
3 the spouses agree,

4 “(6) section 63 shall be applied as if such  
5 spouses were not married, and

6 “(7) each spouse’s share of all other deductions  
7 shall be determined by multiplying the aggregate  
8 amount thereof by the fraction—

9 “(A) the numerator of which is such  
10 spouse’s adjusted gross income, and

11 “(B) the denominator of which is the com-  
12 bined adjusted gross incomes of the 2 spouses.

13 Any fraction determined under paragraph (7) shall be  
14 rounded to the nearest percentage point.

15 “(d) TREATMENT OF CREDITS.—Credits shall be de-  
16 termined (and applied against the joint liability of the cou-  
17 ple for tax) as if the spouses had filed a joint return.

18 “(e) TREATMENT AS JOINT RETURN.—Except as  
19 otherwise provided in this section or in the regulations  
20 prescribed hereunder, for purposes of this title (other than  
21 sections 1 and 63(c)) a combined return under this section  
22 shall be treated as a joint return.

23 “(f) REGULATIONS.—The Secretary shall prescribe  
24 such regulations as may be necessary or appropriate to  
25 carry out this section.”.

1 (b) UNMARRIED RATE MADE APPLICABLE.—So  
 2 much of subsection (c) of section 1 of such Code as pre-  
 3 cedes the table is amended to read as follows:

4 “(c) SEPARATE OR UNMARRIED RETURN RATE.—  
 5 There is hereby imposed on the taxable income of every  
 6 individual (other than a married individual (as defined in  
 7 section 7703) filing a joint return or a separate return,  
 8 a surviving spouse as defined in section 2(a), or a head  
 9 of household as defined in section 2(b)) a tax determined  
 10 in accordance with the following table:”.

11 (c) BASIC STANDARD DEDUCTION FOR UNMARRIED  
 12 INDIVIDUALS MADE APPLICABLE.—Subparagraph (C) of  
 13 section 63(c)(2) of such Code is amended by striking all  
 14 that follows the dollar amount and inserting “in the case  
 15 of an individual who is not—

16 “(i) a married individual filing a joint  
 17 return or a separate return,

18 “(ii) a surviving spouse, or

19 “(iii) a head of household, or”.

20 (d) CLERICAL AMENDMENT.—The table of sections  
 21 for subpart B of part II of subchapter A of chapter 61  
 22 of such Code is amended by inserting after the item relat-  
 23 ing to section 6013 the following:

“Sec. 6013A. Combined return with separate rates.”

1 (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

4 **SEC. 3. SIMPLIFICATION OF TAX CODE.**

5 The President shall establish a commission to study  
6 ways to simplify the income tax laws of the United States.  
7 The Commission shall submit a report containing the re-  
8 sults of its study to the President and the Congress within  
9 2 years after the enactment of this Act.

10 **SEC. 4. USE OF MEDIATION AND ALTERNATIVE DISPUTE**  
11 **RESOLUTION BY IRS.**

12 The Secretary of the Treasury shall take such steps  
13 as may be necessary to insure that mediation and other  
14 forms of alternative dispute resolution are used to the  
15 maximum extent practicable to resolve disputes between  
16 the Internal Revenue Service and taxpayers.

17 **SEC. 5. TAXPAYER ADVISORY BOARD.**

18 (a) IN GENERAL.—The Secretary of the Treasury  
19 shall appoint a Taxpayers Advisory Board composed of or-  
20 dinary taxpayers to advise the Internal Revenue Service  
21 on matters concerning the administration of the income  
22 tax laws.

23 (b) SPECIFIC DUTIES.—The Taxpayer Advisory  
24 Board established under subsection (a) shall hold public  
25 meetings in each of the Internal Revenue Service Regions

- 1 to listen directly to taxpayer complaints and concerns and
- 2 to report those concerns to the Internal Revenue Service.
- 3 The Board shall also represent the taxpayer views to the
- 4 Internal Revenue Service.

