

105TH CONGRESS  
2D SESSION

# H. R. 4053

To amend the Internal Revenue Code of 1986 to simplify the individual income tax by repealing the adjusted gross income limitations on itemized deductions and the personal exemption deduction, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1998

Mr. NEAL of Massachusetts (for himself and Mr. RANGEL) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to simplify the individual income tax by repealing the adjusted gross income limitations on itemized deductions and the personal exemption deduction, 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. REPEAL OF OVERALL LIMITATION ON**  
4 **ITEMIZED DEDUCTIONS.**

5 (a) IN GENERAL.—Section 68 of the Internal Reve-  
6 nue Code of 1986 is hereby repealed.

7 (b) TECHNICAL AMENDMENTS.—

1           (1) Subparagraph (A) of section 1(f)(6) of such  
2       Code is amended by striking “section 68(b)(2)”.

3           (2) Paragraph (1) of section 56(b) of such Code  
4       is amended by striking subparagraph (F).

5           (3) Subparagraph (B) of section 773(a)(3) of  
6       such Code is amended by striking clause (i) and by  
7       redesignating clauses (ii), (iii), and (iv) as clauses  
8       (i), (ii), and (iii), respectively.

9           (4) The table of sections for part I of sub-  
10      chapter B of chapter 1 of such Code is amended by  
11      striking the item relating to section 68.

12      (c) EFFECTIVE DATE.—The amendments made by  
13      this section shall apply to taxable years beginning after  
14      December 31, 1998.

15      **SEC. 2. REPEAL OF PHASEOUT OF PERSONAL EXEMPTIONS.**

16      (a) IN GENERAL.—Subsection (d) of section 151 of  
17      the Internal Revenue Code of 1986 (relating to exemption  
18      amount) is amended by striking paragraph (3).

19      (b) TECHNICAL AMENDMENTS.—

20           (1) Paragraph (6) of section 1(f) of such Code  
21      is amended—

22                   (A) by striking “section 151(d)(4)” in sub-  
23           paragraph   (A)   and   inserting   “section  
24           151(d)(3)”, and

1 (B) by striking “section 151(d)(4)(A)” in  
2 subparagraph (B) and inserting “section  
3 151(d)(3)”.

4 (2) Paragraph (4) of section 151(d) of such  
5 Code is amended to read as follows:

6 “(3) INFLATION ADJUSTMENT.—In the case of  
7 any taxable year beginning in a calendar year after  
8 1989, the dollar amount contained in paragraph (1)  
9 shall be increased by an amount equal to—

10 “(A) such dollar amount, multiplied by

11 “(B) the cost-of-living adjustment deter-  
12 mined under section 1(f)(3) for the calendar  
13 year in which the taxable year begins, by sub-  
14 stituting ‘calendar year 1988’ for ‘calendar year  
15 1992’ in subparagraph (B) thereof.”

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 1998.

19 **SEC. 3. ADDITIONAL INCOME TAX.**

20 (a) IN GENERAL.—Section 1 of the Internal Revenue  
21 Code of 1986 is amended by adding at the end the follow-  
22 ing new subsection:

23 “(i) ADDITIONAL INCOME TAX.—

24 “(1) IN GENERAL.—If the adjusted gross in-  
25 come of an individual exceeds \$75,000 (twice such

1 dollar amount in the case of a joint return), the tax  
 2 imposed by this section (determined after the appli-  
 3 cation of subsection (h) and without regard to this  
 4 subsection) shall be increased by an amount equal to  
 5 1.59 percent of such excess.

6 “(2) INFLATION ADJUSTMENT.—In the case of  
 7 any taxable year beginning in a calendar year after  
 8 1999, the \$75,000 amount contained in paragraph  
 9 (1) shall be increased by an amount equal to—

10 “(A) such dollar amount, multiplied by

11 “(B) the cost-of-living adjustment deter-  
 12 mined under subsection (f)(3) for the calendar  
 13 year in which the taxable year begins, by sub-  
 14 stituting ‘calendar year 1998’ for ‘calendar year  
 15 1992’ in subparagraph (B) thereof.

16 If any increase under the preceding sentence is not  
 17 a multiple of \$50, such increase shall be rounded to  
 18 the nearest multiple of \$50.

19 “(3) TAX NOT TO APPLY TO ESTATES AND  
 20 TRUSTS.—This subsection shall not apply to an es-  
 21 tate or trust.”

22 (b) EFFECTIVE DATE.—The amendment made by  
 23 this section shall apply to taxable years beginning after  
 24 December 31, 1998.

1       (c) SECTION 15 NOT TO APPLY.—The amendment  
2 made by this section shall not be treated as a change in  
3 a rate of tax for purposes of section 15 of such Code.

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