

106TH CONGRESS  
1ST SESSION

# H. R. 104

To amend the Internal Revenue Code of 1986 to reduce individual income  
tax rates by 10 percent.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. KNOLLENBERG 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 reduce  
individual income tax rates by 10 percent.

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       (a) SHORT TITLE.—This Act may be cited as the  
5       “Taxpayer Relief Act of 1999”.

6       (b) SECTION 15 NOT TO APPLY.—No amendment  
7       made by section 2 shall be treated as a change in a rate  
8       of tax for purposes of section 15 of the Internal Revenue  
9       Code of 1986 .

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1 **SEC. 2. 10 PERCENT REDUCTION IN INDIVIDUAL INCOME**

2 **TAX RATES.**

3 (a) GENERAL RULE.—Section 1 of the Internal Reve-  
 4 nue Code of 1986 (relating to tax imposed) is amended  
 5 by striking subsections (a) through (e) and inserting the  
 6 following:

7 “(a) MARRIED INDIVIDUALS FILING JOINT RETURNS  
 8 AND SURVIVING SPOUSES.—There is hereby imposed on  
 9 the taxable income of—

10 “(1) every married individual (as defined in sec-  
 11 tion 7703) who makes a single return jointly with  
 12 his spouse under section 6013, and

13 “(2) every surviving spouse (as defined in sec-  
 14 tion 2(a)),

15 a tax determined in accordance with the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$43,050 .....	13.5% of taxable income.
Over \$43,050 but not over \$104,050.	\$5,811.75, plus 25.2% of the excess over \$43,050.
Over \$104,050 but not over \$158,550.	\$21,183.75, plus 27.9% of the excess over \$104,050.
Over \$158,550 but not over \$283,150.	\$36,389.25, plus 32.4% of the excess over \$158,550.
Over \$283,150.....	\$76,759.65, plus 35.64% of the excess over \$283,150.

16 “(b) HEADS OF HOUSEHOLDS.—There is hereby im-  
 17 posed on the taxable income of every head of a household  
 18 (as defined in section 2(b)) a tax determined in accordance  
 19 with the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$34,550 .....	13.5% of taxable income.

**“If taxable income is:**

Over \$34,550 but not over  
\$89,150.  
Over \$89,150 but not over  
\$144,400.  
Over \$144,400 but not over  
\$283,150.  
Over \$283,150.....

**The tax is:**

\$4,664.25, plus 25.2% of the excess  
over \$34,550.  
\$18,423.45, plus 27.9% of the excess  
over \$89,150.  
\$33,838.20, plus 32.4% of the excess  
over \$144,400.  
\$78,793.20, plus 35.64% of the ex-  
cess over \$283,150.

1       “(c) UNMARRIED INDIVIDUALS (OTHER THAN SUR-  
2 VIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There  
3 is hereby imposed on the taxable income of every individ-  
4 ual (other than a surviving spouse as defined in section  
5 2(a) or the head of a household as defined in section 2(b))  
6 who is not a married individual (as defined in section  
7 7703) a tax determined in accordance with the following  
8 table:

**“If taxable income is:**

Not over \$25,750 .....  
Over \$25,750 but not over  
\$62,450.  
Over \$62,450 but not over  
\$130,250.  
Over \$130,250 but not over  
\$283,150.  
Over \$283,150.....

**The tax is:**

13.5% of taxable income.  
\$3,476.25, plus 25.2% of the excess  
over \$25,750.  
\$12,724.65, plus 27.9% of the excess  
over \$62,450.  
\$31,640.85, plus 32.4% of the excess  
over \$130,250.  
\$81,180.45, plus 35.64% of the ex-  
cess over \$283,150.

9       “(d) MARRIED INDIVIDUALS FILING SEPARATE RE-  
10 TURNS.—There is hereby imposed on the taxable income  
11 of every married individual (as defined in section 7703)  
12 who does not make a single return jointly with his spouse  
13 under section 6013, a tax determined in accordance with  
14 the following table:

**“If taxable income is:**

Not over \$21,525 .....  
Over \$21,525 but not over  
\$52,025.

**The tax is:**

13.5% of taxable income.  
\$2,905.87, plus 25.2% of the excess  
over \$21,525.

**“If taxable income is:**

Over \$52,025 but not over \$79,275.

Over \$79,275 but not over \$141,575.

Over \$141,575.....

**The tax is:**

\$10,591.87, plus 27.9% of the excess over \$52,025.

\$18,194.62, plus 32.4% of the excess over \$79,275.

\$38,379.82, plus 35.64% of the excess over \$141,575

1 “(e) ESTATES AND TRUSTS.—There is hereby im-  
2 posed on the taxable income of—

3 “(1) every estate, and

4 “(2) every trust,

5 taxable under this subsection a tax determined in accord-  
6 ance with the following table:

**“If taxable income is:**

Not over \$1,750 .....

Over \$1,750 but not over \$4,050 ..

Over \$4,050 but not over \$6,200 ..

Over \$6,200 but not over \$8,450 ..

Over \$8,450.....

**The tax is:**

13.5% of taxable income.

\$236.25, plus 25.2% of the excess over \$1,750.

\$815.85, plus 27.9% of the excess over \$4,050.

\$1,415.70, plus 32.4% of the excess over \$6,200.

\$2,144.70, plus 35.64% of the excess over \$8,450.”

7 (b) ALTERNATIVE MINIMUM TAX RATES.—Clause (i)  
8 of section 55(b)(1)(A) of such Code (relating to alternative  
9 minimum tax imposed) is amended—

10 (1) by striking “26 percent” and inserting  
11 “23.4 percent”, and

12 (2) by striking “28 percent” and inserting  
13 “25.2 percent”.

14 (c) CONFORMING AMENDMENTS.—

15 (1) Subsection (f) of section 1 of such Code is  
16 amended—

1 (A) by striking “1993” in paragraph (1)  
2 and inserting “1999”,

3 (B) by striking “1992” in paragraph  
4 (3)(B) and inserting “1998”, and

5 (C) by striking paragraph (7).

6 (2) The following provisions of the Internal  
7 Revenue Code of 1986 are each amended by striking  
8 “1992” and inserting “1998” each place it appears:

9 (A) Section 25A(h).

10 (B) Section 32(j)(1)(B).

11 (C) Section 41(e)(5)(C).

12 (D) Section 59(j)(2)(B).

13 (E) Section 63(c)(4)(B).

14 (F) Section 68(b)(2)(B).

15 (G) Section 135(b)(2)(B)(ii).

16 (H) Section 151(d)(4).

17 (I) Section 220(g)(2).

18 (J) Section 221(g)(1)(B).

19 (K) Section 512(d)(2)(B).

20 (L) Section 513(h)(2)(C)(ii).

21 (M) Section 685(c)(3)(B).

22 (N) Section 877(a)(2).

23 (O) Section 911(b)(2)(D)(ii)(II).

24 (P) Section 2032A(a)(3)(B).

25 (Q) Section 2503(b)(2)(B).

1 (R) Section 2631(c)(1)(B).

2 (S) Section 4001(e)(1)(B).

3 (T) Section 4261(e)(4)(A)(ii).

4 (U) Section 6039F(d).

5 (V) Section 6323(i)(4)(B).

6 (W) Section 6601(j)(3)(B).

7 (X) Section 7430(c)(1).

8 (3) Subclause (II) of section 42(h)(6)(G)(i) of  
9 such Code is amended by striking “1987” and in-  
10 serting “1998”.

11 (4) Subparagraph (B) of section 132(f)(6) of  
12 such Code is amended by inserting before the period  
13 “, determined by substituting ‘calendar year 1992’  
14 for ‘calendar year 1998’ in subparagraph (B) there-  
15 of”.

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

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