

Calendar No. 437

106TH CONGRESS
2^D SESSION

H. R. 6

IN THE SENATE OF THE UNITED STATES

FEBRUARY 22, 2000

Received and read the first time

FEBRUARY 23, 2000

Read the second time and placed on the calendar

AN ACT

To amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing for adjustments to the standard deduction, 15-percent rate bracket, and earned income credit and to repeal the reduction of the refundable tax credits.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Marriage Tax Penalty Relief Act of 2000”.

6 (b) SECTION 15 NOT TO APPLY.—No amendment
7 made by this Act 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.

10 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
11 **ARD DEDUCTION.**

12 (a) IN GENERAL.—Paragraph (2) of section 63(c) of
13 the Internal Revenue Code of 1986 (relating to standard
14 deduction) is amended—

15 (1) by striking “\$5,000” in subparagraph (A)
16 and inserting “200 percent of the dollar amount in
17 effect under subparagraph (C) for the taxable year”;

18 (2) by adding “or” at the end of subparagraph
19 (B);

20 (3) by striking “in the case of” and all that fol-
21 lows in subparagraph (C) and inserting “in any
22 other case.”; and

23 (4) by striking subparagraph (D).

24 (b) TECHNICAL AMENDMENTS.—

1 (1) Subparagraph (B) of section 1(f)(6) of such
 2 Code is amended by striking “(other than with” and
 3 all that follows through “shall be applied” and in-
 4 serting “(other than with respect to sections
 5 63(c)(4) and 151(d)(4)(A)) shall be applied”.

6 (2) Paragraph (4) of section 63(c) of such Code
 7 is amended by adding at the end the following flush
 8 sentence:

9 “The preceding sentence shall not apply to the
 10 amount referred to in paragraph (2)(A).”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 December 31, 2000.

14 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
 15 **BRACKET; REPEAL OF REDUCTION OF RE-**
 16 **FUNDABLE TAX CREDITS.**

17 (a) IN GENERAL.—Subsection (f) of section 1 of the
 18 Internal Revenue Code of 1986 (relating to adjustments
 19 in tax tables so that inflation will not result in tax in-
 20 creases) is amended by adding at the end the following
 21 new paragraph:

22 “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-
 23 PERCENT BRACKET.—

“(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2002, in prescribing the tables under paragraph (1)—

“(i) the maximum taxable income in the lowest rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the lowest rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

“(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be $\frac{1}{2}$ of the amounts determined under clause (i).

“(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2003	170.3
2004	173.8
2005	183.5
2006	184.3
2007	187.9
2008 and thereafter	200.0.

1 “(C) ROUNDING.—If any amount deter-
2 mined under subparagraph (A)(i) is not a mul-
3 tiple of \$50, such amount shall be rounded to
4 the next lowest multiple of \$50.”.

5 (b) REPEAL OF REDUCTION OF REFUNDABLE TAX
6 CREDITS.—

7 (1) Subsection (d) of section 24 of such Code
8 is amended by striking paragraph (2) and redesign-
9 ating paragraph (3) as paragraph (2).

10 (2) Section 32 of such Code is amended by
11 striking subsection (h).

12 (c) TECHNICAL AMENDMENTS.—

13 (1) Subparagraph (A) of section 1(f)(2) of such
14 Code is amended by inserting “except as provided in
15 paragraph (8),” before “by increasing”.

16 (2) The heading for subsection (f) of section 1
17 of such Code is amended by inserting “PHASEOUT
18 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”
19 before “ADJUSTMENTS”.

20 (d) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as provided by para-
22 graph (2), the amendments made by this section
23 shall apply to taxable years beginning after Decem-
24 ber 31, 2002.

1 (2) REPEAL OF REDUCTION OF REFUNDABLE
 2 TAX CREDITS.—The amendments made by sub-
 3 section (b) shall apply to taxable years beginning
 4 after December 31, 2001.

5 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**
 6 **CREDIT.**

7 (a) IN GENERAL.—Paragraph (2) of section 32(b) of
 8 the Internal Revenue Code of 1986 (relating to percent-
 9 ages and amounts) is amended—

10 (1) by striking “AMOUNTS.—The earned” and
 11 inserting “AMOUNTS.—

12 “(A) IN GENERAL.—Subject to subpara-
 13 graph (B), the earned”; and

14 (2) by adding at the end the following new sub-
 15 paragraph:

16 “(B) JOINT RETURNS.—In the case of a
 17 joint return, the phaseout amount determined
 18 under subparagraph (A) shall be increased by
 19 \$2,000.”.

20 (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of
 21 section 32(j) of such Code (relating to inflation adjust-
 22 ments) is amended to read as follows:

23 “(B) the cost-of-living adjustment deter-
 24 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins,
2 determined—

3 “(i) in the case of amounts in sub-
4 sections (b)(2)(A) and (i)(1), by sub-
5 stituting ‘calendar year 1995’ for ‘calendar
6 year 1992’ in subparagraph (B) thereof,
7 and

8 “(ii) in the case of the \$2,000 amount
9 in subsection (b)(2)(B), by substituting
10 ‘calendar year 2000’ for ‘calendar year
11 1992’ in subparagraph (B) of such section
12 1.”.

13 (c) ROUNDING.—Section 32(j)(2)(A) of such Code
14 (relating to rounding) is amended by striking “subsection
15 (b)(2)” and inserting “subsection (b)(2)(A) (after being
16 increased under subparagraph (B) thereof)”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2000.

 Passed the House of Representatives February 10,
2000.

Attest:

JEFF TRANDAHL,

Clerk.

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